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108-page document in English, translated from

Serbo-Croatian, a study of the "Elektrosrbija" firm. This firm is an electric enterprise of the People's Republic of Serbia with headquarters in Belgrade.

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Information on Yugoslavia

Translation from Serbo-
Croatian

Subject: The Electric Enterprise
E L E K T R O S R B I J A, Located
in Belgrade, Brankova ulica 30

This report related to the organization and the development
of the above mentioned enterprise is divided as follows:

1) History of the creation of the enterprise	page 3
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Translator's Remark

The chapter nr. 3, concerning the organization of the enterprise,
is illustrated with six diagrams. and is subdivided as follows:

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The Planning Bureau (Projektantski biro)	page 25
The Constructions or Technical Sector (Izgradnja ili Tehnički sektor)	33
The Sector (Department) for Local Electrification (Lokalna elektrifikacija)	43
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The General Sector (Opšti sektor)	66

The chapter nr. 7, which deals with various information, has, beside the four subdivisions listed under a), b), c), and d), a fifth one concerning the organization of the Party and the UDB within economic enterprises in general and E l e k t r o s r b i j a in particular. This subdivision is to be found on page 105.

I have made a final remark at the end of this report, on page 108.

The words in parenthesis are either synonyms, explanations, or completions of sentences which I have added to the end to clarify as much as I could the original text.

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1) History of ELEKTROSRBIJA's Creation

ELEKTROSRBIJA was formed (created) in March 1950.

This enterprise builds conduits (sic - dalekovodi - Tr.rem.: This word does not exist in dictionaries, and it seems that it actually means electric lines), transforming stations (trafostanice - Tr.rem.: This seems to be an abbreviation of transformatorske stanice which transform the electric current from a high to a low potential, or vice-versa), (takes care of) the local electrification, projects and produces electric equipment.

In order to have a clear picture (of the enterprise), we must recall that the Yugoslav economy was highly centralized at that time, and that the (various) enterprises were managed, according to their importance, by different ministries (secretariats). So, for instance, the electric industry of Yugoslavia was administered by the Federal Ministry of Electric Power (Savezno ministarstvo elektroprivrede, and various republican (local) ministries of electric power.

The enterprise ELEKTROSRBIJA was created primarily because of the necessity to bring electrification in step with the general development of industry, and second, because decentralization was inaugurated at that time; the aim of decentralization in the economic field was to form (organize) large and strong enterprises which would be able to cope themselves with the multiple problems arising in the economy (industry), and here, specifically, in the field of electrification. The authorities had come to realize that by managing enterprises from above and from one single

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~~one single~~ center, a too large bureaucratic apparatus had been created; this bureaucracy hampered the development of the initiative of the lower echelons; thus, very often, necessary interventions came too late, causing great damages in the field of electrification; for instance, because of ~~indirect~~ supplies arriving too late, ~~there~~ electric power has been often cut in electric centrals and conduits, etc., or, for the same reason, it has not been possible to plan correctly the construction of various objects in the electric industry.

The electric industry of Serbia was administered until the beginning of 1950 by the Federal Ministry of Electric Power; at that time, however, the Republic of Serbia has assumed the management of all the electric centrals located on her territory, and has proceeded to organize gradually the whole matter.

Consequently, the General Direction of Electric Industry for Serbia (Generalna direkcija elektroprivrede za Srbiju) has been founded, headed by a general director with the rank of minister (Ministar - Generalni direktor); later, this Direction has been transformed into a common Direction of Electric Power (Direkcija elektroprivrede). It is at this moment that ELEKTROSRBIJA has been organized.

ELEKTROSRBIJA consists (is composed) of the following enterprises :

- 1) ELEKTROISTOK (ELECTRO-EAST), which builds conduits ^{electric lines} (dalekoved) and transforming stations; this enterprise had 650 workers and functionaries;
- 2) ELEKTROPROJEKT, which makes plans (projects) for the construction of ^(power) transforming stations and conduits up to a tension/of 35 kilowatts;
- 3) ELEKTROBIRO (ELECTRO*BUREAU) -- only part of this enterprise -- which

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makes plans for the construction of conduits and transforming stations of a power of 110 kilowatts.

When ELEKTROPROJEKT became part of ELEKTROSRBIJA, it had about 35 of its own engineers and technicians, and ELEKTROBIRO had about 12 of them. (Tr.rem.: It might be assumed that ELEKTROISTOK had also a number of technicians and engineers, although they are not specifically mentioned)

Thus, the newly formed enterprise ELEKTROSRBIJA consisted of a total number of 700 people, including there the workers, the engineers, and the functionaries.

An accurate analysis of the situation of the three above mentioned enterprises revealed a painful state of affairs.

ELEKTROISTOK was in the worst position. Its books were so ill kept that even the balance ^(of debts and credits) for the year 1948 was not yet made. Things as fundamental as are the assets of the enterprise, its inventory, its stocks in magazines and depots could not be established; thus, it was not possible to ascertain what belongs^{ed} to that enterprise. The general situation was so distressing that it was not possible to know, for instance, such matters as how many trucks and other more important stuff does the enterprise possess. The inventory was inaccurate; consequently, it was no wonder that thefts were a matter of daily routine in this enterprise. Anybody could have done there anything he wished; nobody cared how much a thing costs, because all was considered to be the property of the state, or "our" property.

Naturally, the responsibility for such a state of affairs lies first of all on the Party members who occupied all the executive positions of the enterprise, without regard whether they were qualified or not for such posts. The

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constructions of the enterprise were of a bad quality and made without adequate skill. Nobody cared much for engineers, because they were considered "reactionary elements," since nobody was charged with some special responsibility, the job was performed without professional (skilled) control, and it was usual routine that after the construction (of a transforming station or conduit) and soon after it had begun to operate, it had to be repaired or renewed at great cost for the Republic of Serbia. Excepting Slovenia -- where the relations between the skilled cadre of workers and the enterprise were much more regular -- such a state of affairs could be found in all the rest of Yugoslavia. Namely, the technical cadre had no initiative, because the Party organization of the enterprise, which had few intellectuals (educated people), was in charge of the decisions. (Tr.rem.: In other words, the initiative belonged to the Party organization of the enterprise)

The situation of ELEKTROPROJEKT and ELEKTROBIRO was far better; since their personnel was highly qualified (skilled), the relations within the enterprises were also better. However, even in these two enterprises, the self-will (arbitrary decisions) of the lower technical cadre was excessive, and it is the lower technicians who occupied all the executive positions, because they were considered as more reliable. Besides, the emoluments of the highly educated technical personnel were unusually low, according to the slogan: "we have all equal stomachs;" in many cases their salaries were the same as those of the lower technicians; therefore, the people with superior education had no enthusiasm for work.

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Now, this conglomerate (the three enterprises which were heaped together) had to be organized, ~~and~~ the relations between those who make the planning and those who execute the plans had to be regulated, and those people had to be brought together; namely, (in the past), the planners and the workers were not only separated, but many times the latter executed the work as they wished themselves, without regard for the plans, believing that they knew better what to do, and declaring: "We don't rely much on those intellectuals."

On the working grounds, where the objects (constructions) were built, order had to be ~~maintained~~ established, the workers had to be gradually taught the technical principles, and the unskilled laborers had to be substituted by more skilled people.

There were almost no experts in the management of the enterprises. (For instance,) in the accounting section, there was no accountant who could balance the books (compute the difference between credits and debits). (On the other hand,) on the working grounds, there was no skilled mounter (monter - Tr.rem.: Man who is in charge of assembling various parts of a machine or some structure), but only insufficiently expert personnel, squanderers living an immoral life.

The worst people were to be found among the drivers, who were in charge of about 60 trucks and cars. All of them were also half skilled, breaking a truck almost every day or indulging in smuggling, and concerned only to fill their own pockets, without care for the transport business, which is such a vital part of the enterprise.

There you are. Such was the situation at the moment of the creation of
ELEKTROSREIJA.

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The following persons were appointed as executives of ELEKTROSRBIJA :

Nikola (Tr.rem.: Probably Nikola) SILI, a graduated electro-technician
(Tr.rem.: Probably an engineer with university education), as Director.

Milenko GAVRILOVIĆ, a man without education, as Assistant Director.

Engineer Lazar BRATONOŽIĆ, the former technical director of ELEKTROISTOK,
as Technical Director.

Engineer Đorđe DUKANAC, as Director of the Projects Bureau.

Nebojša VRAČAREVIĆ, a high school graduate, as Secretary of the Enterprise.

SMUDJA, a man without education, as Director of Finances.

(Tr.rem.: The two people whose names are preceded by the title "engineer"
are university graduates.)

The other engineers and technicians working in the Projects (Planning)
Bureau were not willing to go on the working grounds (where the constructions
were built); consequently, the works were actually supervised only by a few
skilled workers (masters, craftsmen).

During that year, that is 1950, ELEKTROSRBIJA had to built about a thousand
kilometers of electric conditits ^{electric lines} (dalekovod), which was a very difficult job to do,
and an almost impossible one, at that time. This was needed because various factories
were constructed and had no electric power (due to the lack of conduits); there
were even electric centrals which were ^{already} built, but could not furnish their power
to any one, for the same reason.

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2) S i t u a t i o n o f E L E K T R O S R B I J A o n t h e
 D a y o f i t s F o r m a t i o n

The main outline of this situation had been already given in Chapter 1. Here, I wish only to emphasise a few things, in order to clarify my further exposition of the matter.

According to the books (the list of the personnel), ELEKTROSRBIJA was supposed to have 700 workers. This list was kept by the State organs, since the whole matter was centralized. However, the real state of affairs did not correspond to the books. (This was due to the fact that) the building-grounds did not send their reports on time; they were very late in this regard, while the number of the workers changed continually. Namely, many of the workers asked for jobs only to obtain their ration cards for food, and as soon as they received the cards in question, they abandoned the job; such was mostly the case of the agricultural (sic) workers^(peasants). No threats could remedy this situation, because those who had received their cards used to buy immediately all the rationed food they were entitled to; the same thing happened also with the ration cards for clothing. Consequently, (due to the defection of the workers), the situation of the enterprise was more than chaotic. In this manner, there was no possibility to get a permanent cadre of workers, on whom the enterprise could rely, and no job could be finished on time.

Despite the fact that the initiative was somewhat given to the enterprise, the Ministry or higher organs had to be asked for almost everything.

Attempts to work out the inventory of the enterprise were not successful.

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at the beginning, because the ^(office) personnel was not skilled; for instance, the same items were listed under different names, and this was discovered later.

The tools used to be stolen, and sold on the black market. There were many malversations with the copper wire; this went so far that almost everyone who had to do with copper articles became involved up to a certain point in fraudulent practices. Soon (after the creation of ELEKTROSRBIJA), a big affair was uncovered involving the disappearance of several carloads of copper wire of a value of about 25 million dinars; the investigation established that masters (craftsmen) of ELEKTROSRBIJA had stolen that stuff and sold it on the black market. The affair was ended by sentencing to death four people, while a great number of persons got ~~life imprisonment~~ long terms of forced labor.

Thus, all the personnel of ELEKTROSRBIJA was upset; everybody feared to be involved and have to answer for old frauds, committed in the past. Consequently, everybody tried to cover up the ancient mistakes, and resisted any kind of control.

When the books were brought in order, the Federal Ministry of Electric Power passed the buck to ELEKTROSRBIJA; ^{the responsibility for} many of the negative ^{and} ~~obscure~~ matters ^(losses) ~~was shifted to the Enterprise.~~ ^(from the Ministry)

Much of the equipment which was received from the Allies, as a matter of aid, was not complete any more; nevertheless, it had to be entered into the books as complete, and nobody knew or could establish who was guilty.

It even happened that the Enterprise was informed by phone that there was a truck without tires laying far away, at a determined point in the country, and belonging to ELEKTROSRBIJA. And yet, in the Enterprise, nobody ever knew that such a truck ever existed. There were several such cases.

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It also used to happen that the Ministry of Electric Power gave orders to various squads of workers to stop working on a certain place and go somewhere else instead, and the Ministry neglected to inform the Enterprise about those shifts of workers.

Huge quantities of copper wire used to lie on different building grounds or on railroad stations, without anybody knowing that they were there or why they were there.

The Ministry used to give orders that a certain object (construction) had to be built as soon as possible, while some commissions of that ^(same) Ministry used to issue quite different orders concerning the same object.

At the same time, the contracts of the Enterprise were continually changed. Thus, it used to happen that some of the ^(electric) conduits had to be built during the coldest months of the winter; naturally, the quality of such a job could not be good, but it was ordered that its construction was ~~the~~ most urgent; then, such a conduit would not be used for a couple of years to come, or it was sometimes even established that ^{it} ~~was~~ was altogether unnecessary.

This situation was the object of many discussions on Party meetings and syndicate conferences; everybody agreed that this state of affairs must change, and that everybody has to work conscientiously. However, all remained as it was, all ended with mere words, and everybody continued to work as before, interested mainly in himself and ⁱⁿ his ^{own} salary.

The workers were fed up with "the voluntary work," and they all asked their discontinuance; all asked to be paid for their work.

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Such was the situation of ELEKTROSRBIJA, and such were its workers.

At that time, the authorities did not interfere too much with all the details of the work of the enterprise (sic). In some cases, the authorities did even help the work of the enterprise, which contributed to the development of ELEKTROSRBIJA.

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3) O r g a n i z a t i o n o f t h e E n t e r p r i s e

The diagram related to the organization of the enterprise is drawn on page 5 (of the original text). The fundamental (main) sectors or departments (sections) can be seen on that diagram, and each one of them constitutes a whole in itself (Tr.rem.: The idea seems to be that each section is pretty much autonomous or independent).

The Workers' Council is the head of the enterprise, and on 10 April 1955, it consisted of 35 members.

At the present time, the workers' councils of the various enterprises are selected every two years, and the number of their members is established by the commission for the election. This number depends from the size and the importance of the enterprise.

According to its size and importance, ELEKTROSRBIJA has the right to appoint the greatest number of the members in question; however, due to the fact that the enterprise extends over all the country, the transport of many members and the loss of time for so many people would impose a too heavy financial burden on the enterprise. Therefore, the Direction of the enterprise has limited the number of the Workers' Council to 35, and this limitation has been accepted (by the higher authorities).

The meetings of the Workers' Council are usually held four times a year, or according to the necessities. The Workers' Council is the highest body of the enterprise, and there is no appeal against its decisions. It decides only about the main (fundamental) matters concerning the work and the development of the

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enterprise. For instance, it decides about the organization of the enterprise, the fundamental policies concerning the development of the enterprise, the supply of the fundamental (sic) equipment as for instance trucks and other ~~xx~~ expensive stuff, the distribution of the profits, the approval of the balance of credits and debits, ^{it} appoints the highest executives of the enterprise, and proposes the appointment of the general director; this latter is actually appointed either by the local or the federal authorities, according to the importance of the enterprise. The director of ELEKTROSRBIJA is exclusively appointed by republican (Tr.rem.: state or local as differentiated from federal) organs.

The second ranking body of the enterprise is its Executive Board.

The Executive Board of ELEKTROSRBIJA consists of 6 workers, 2 functionaries who might be engineers, and the director of the enterprise; this latter becomes automatically a member of the Board in question (Tr.rem.: This leads to the supposition that the other members of the Board are elected).

Like in the case of the Workers' Council, the Executive Board has also a president (sic), who is elected by the members of the Board itself. Together with the director of the enterprise, this president presides at the Board's meetings, and outlines the matters to be discussed (agenda). Together with the Executive Board, the ^{director} ~~president~~ of the enterprise manages the operative activities of the enterprise; for his work, he is responsible to the Workers' Council.

If the Executive Board is dissatisfied with the work of the ^{director} ~~president~~ of the enterprise, it can complain to the Workers' Council. On the other hand, the director of the enterprise can ^{also} complain to the Workers' Council, if he is not

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satisfied with some decision of the Executive Council.

If either party is not satisfied with the decision of the Workers' Council, it might appeal to the authorities who have appointed the director. In the case of ELEKTROSRBIJA, this is the Economic Council of the Republic.

The Workers' Council might ask for the dismissal of the director of the enterprise, and this latter might ask for the disbandment of the Workers' Council, if he cannot get along with it. (*sic.*)

The director of the enterprise appoints the inferior functionaries. The extent of the authority of the director is fixed by the regulations of the enterprise, and those regulations have to be approved by the local authorities of the place where the enterprise is located.

The regulations in question ^{determine} ~~provide~~ the rights of the Workers' Council, the Executive Board, and the director. Those regulations vary according to the size of the enterprise, its specific nature, and the other conditions from which depends the life and the work of the enterprise (*sic*).

The above exposed matters are the fundamental facts concerning the organization of any enterprise in general, and ELEKTROSRBIJA in particular.

Beside the main diagram describing the organization of the enterprise (see page 5 of the original text), there are other detailed diagrams related to the various sectors (sections, departments), and also the diagram of the RIPANJ factory of electric equipment.

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The Electric Equipment Factory of Ripanj is a new branch of the enterprise ELEKTROSRBIJA, and it shows the degree of development which the enterprise has achieved. Namely, since ~~the~~ competition has developed among the Yugoslav industrial enterprises, ELEKTROSRBIJA has considered that it was necessary to make also its own products, as it is the case of the big industrial enterprises of the world, like SIEMENS, BRAUN, BOVERI, etc.

The director of ELEKTROSRBIJA was assisted by a body of experts, consisting mainly of the directors of the various sectors (sections, departments) of the enterprise, and with whom he used to discuss all the various problems of the enterprise.

(Tr.rem.: See on page 5 of the original text the diagram indicating mainly the organs from which the enterprise ELEKTROSRBIJA depends, on which I have translated in English the names of those organs.)

The diagram drawn on page 5 of the original text shows the relationship between ~~and~~ the organs of the state apparatus and ELEKTROSRBIJA.

The Federal Peoples Parliament (Federalna narodna skupština), which is the highest organ of the state, acts -- through the Federal Executive Council (Savezno izvršno veće) -- upon the parliaments of the various republics, and those latter exert their power -- through their own executive councils ~~managers~~ and various boards -- upon all the social and economic institutions.

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Namely, within the executive councils of the republics, there are various boards, as for instance the board for ~~the~~ economy, finances, commerce, industry, forestry, etc.

In turn, within the board for economy, there are various directions, like the direction of electric power, as well as other directions dealing with the different branches of industry, various trades, handicrafts, etc.

Since it is a large (important) enterprise, ELEKTROSRBIJA is subordinated to the Economic Board of Serbia. However, when the enterprise is making business out of Serbia (Tr.rem.: In some other republic of Yugoslavia), then it has to obey the laws and the regulations which are in force in the ~~the republics~~ related republic.

ELEKTROSRBIJA is also connected with the National Bank of Serbia, from which it gets the credits it needs for its work.

If there are problems that the Economic Board of Serbia cannot solve or questions which are out of its jurisdiction or competence (sphere or limit of authority), ELEKTROSRBIJA has then the right to turn up for help and the solution of the problem to the federal economic organs. Consequently (for that purpose), the enterprise is also connected with the Federal Economic Board. The connection with this Board is especially strong (developed, ^{comes to life} ~~consider~~) when some of its members are particularly interested in the local conditions of are animated by chauvinistic feelings. For example, the exponents of the Slovene industry ask successfully the aid of Franc LESKOVSEK, the Minister who is now a member of the Federal Executive Council in charge of heavy industry;

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this has caused the revolt (reaction) of the Serbian industrial leaders, as Voja LEKOVIĆ, and others.

Finally, ELEKTROSRBIJA is also connected to a considerable degree with the Executive Board of Belgrade City regarding the distribution of its profits, which are divided according to a certain ratio. This distribution of profits and the dependence of the enterprises from the local executives/ boards has been established since the creation of the communes, and this procedure has been developing ever since that time. However, due to the fact that there is now one year that I have not been there (in Yugoslavia), I could not give the picture of this situation (Tr.rem.: I remember that in the last report that I have translated the ratio of the distribution of the profits of enterprises was indicated).

ELEKTROSRBIJA must stick to the contracts concluded with other enterprises or with the investors for whom it works.

Since 1954, auctions are obligatory in Yugoslavia (Tr.rem.: The enterprises must make their offers, and the one with the lowest offer gets the job). Up to that time, the enterprises used to get their contracts (jobs) according to their possibilities or their connections (friends); the Act (Law) on Auctions has put an end to that practice. Each republic has now its own Act on Auctions. (According to this Act) after the announcement that an auction is to take place, all the enterprises interested in doing that determined job have the right to present their offers. At the very beginning of this procedure, it was not even necessary

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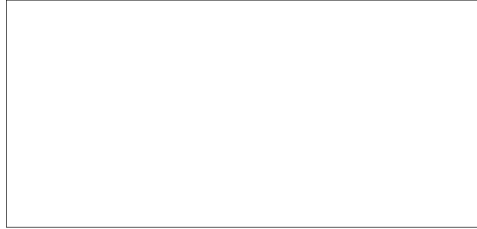
to furnish some proof that the enterprise was capable to do the job; some requirements to that effect have been introduced later.

Naturally, the enterprises were interested in getting as many jobs as possible, in order to realize the greatest possible profits, since the salaries are determined according to the profits. At the beginning, the enterprises were making the lowest possible offers, because this was the determining factor in getting the job; however, after a year of such practice, this was changed, and the jobs were given to the enterprises making the most advantageous offers.

Then, it happened again that people with connections and friends began to make business; thus, today, many directors of enterprises use their friends to get jobs. (In giving the job to a certain enterprise, the authorities) usually take in consideration the interests of the republic, in order to maintain a fair rate of employment, to the end to avoid burdening the ~~republic~~ particular republic with too many unemployed workers. (Illustrating this with a concrete case, I remember that) ELEKTROSRBIJA had got a big job at an auction in Macedonia; however, (the authorities) cancelled that auction and gave the job to a Macedonian enterprise, which was on the verge of bankruptcy, because it had no job to do. In this instance, the bankruptcy in question was the most important factor, and not the quality of the work or the speed with which it could be done; in this case, the political problem (sic) of giving employment to people was more important than anything else. When the object (the job) was completed, it costed twice the price offered at the auction (by ~~SELEKTROSRBIJA~~ ELEKTROSRBIJA), and it was not finished on time.

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It is true that the Yugoslavs are fighting to remedy to this state of affairs. However, the conditions under which the economy is developing and the political situation of the various republics ~~are developing~~ are such that no remedy is possible. Thus, the old state of affairs continues and lasts.

(Tr.rem.: See the diagram of the organization of ELECTROSRBIJA on page 6 of the original text, which I have translated on that very page.)



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Explanation of the Diagram Related to the
Organization of ELEKTROSRBIJA

As I have mentioned before, the diagram representing the organization of ELEKTROSRBIJA is drawn in such a manner to show that the highest organ of the enterprise is its Workers' Council (see the diagram in question on page 6 of the original text) . Then comes the Executive Board of the enterprise, and afterward the General or the Main Director of the enterprise (Generalni, ili Glavni direktor).

ELEKTROSRBIJA is divided in the following sectors :

the Projects Bureau, (Projektantski biro);

Constructions (Izgradnja) which is the operative section for mounting (montaža);

the Sector for Local Electrification (Sektor za lokalnu elektrifikaciju), which takes care of the electrification of the towns and villages, and does also some lesser mounting works (sic - montaža) on some industrial objects;

the Factory of Electric Equipment in RIPANJ, located at about 20 kilometers from Belgrade;

the Sector for Vehicles and their Maintenance (Pegon za Remont i Saobraćaj), which repairs all the vehicles, keeps evidence of their number, and takes also care of the mechanized gadgets of the enterprise;

the Economic and Accounting Sector, which is in charge of the bookkeeping and finances; (Privredno-računski sektor)

the Commercial Sector (Komercijalni sektor), which is in charge of the supplies, the magazine (denet). and the trade of the enterprise;

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the Export-Import Sector, in charge of the import and export of the equipment or (sic) the products of ELEKTROSRBIJA (Izvozno-Uvozni sektor); and the General Sector (Opšti sektor), which is in charge of the cadres (personnel), the legal matters, etc.

The general director manages the enterprise through (sic - with the assistance) of a body of experts consisting mainly of the directors of the various sectors of the enterprise.

Each director has its own small secretariat which prepares the material to be discussed (the problems which have to be solved) and coo-ordinated, thus enabling (the general director) to determine the policies of the enterprise.

Naturally, the decision about the policies in question have to be submitted to the Executive Board, which must approve them. When more important policies are involved, the Workers' Council itself must give its approval.

When the decision has been approved, the general director is authorized to execute it in the manner which he considers to be the most suitable. This often causes misunderstandings, because members of the Workers' Council and the Executive Board interfere with the execution of the decision, and in many cases they even sabotage it. There were times when the members in question left their posts and came personally to the general director demanding that a certain thing be changed according to their opinions, or wanted to favorize somebody, etc. If the director was not tactful, ~~the~~ conflicts used to break, quarrels which had their repercussions even in the political field, because the workers/^{enjoyed} usually

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the support of the Party, and there was no sense in fighting against them.

Evidently, the management policies are connected with many other matters which cannot be represented on a diagram. These matters concern especially the financing and the relations with the authorities and other organs from which depends the regular functioning of the enterprise.

If a man (Tr.rem.: Probably the director) is not in good relations with the Party and does not respect the Party decisions, he will not last long; usually, the Party committee infiltrates in the enterprise its men, who then demand that (the undesirable) people be fired as enemies, or they demand that some action of the Party or the Front be given financial aid.

Then, if the director of the enterprise is not in good relations with the mayor of the municipality where the enterprise is located, and does not help the mayor in various ways, the director will not again last a long time, because he will be criticized at the meetings of ^{the} municipality committee, which are presided by the mayor. The favors that a director does to a mayor might for instance be : help in beautifying the municipality, or sending workers on "voluntary jobs" of the municipality, or lending trucks or cars to the municipality, etc.

This sort of favors are required even by the highest ranking organs of the authorities. For instance, there were several cases when some representative (congressman) or some other high ranking personage have asked the director of ELEKTROSERBIJA to electrify first of all the region which the congressman in question represents, or where he is running for re-elections; or, those representatives ask that the equipment used in their regions should be the imported

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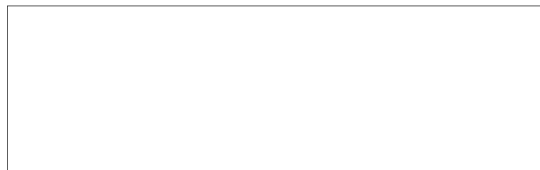


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one, that is stuff which is scarce (Tr.rem.: Probably because the imported material is of a better quality). A director~~y~~ who does not accede~~to~~ such a request of a representative, will have a very hard time indeed.

In such a situation, the directors, and very often also the workers' councils and the executive boards themselves, have little to say, ^{but} ~~and~~ to execute the various requests and demands of high ranking personages, despite the fact that they are conscious that they are operating at a loss for the enterprise.

The practice has shown that it is better for the organs of the enterprise not to antagonize the high ranking personages.



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The Projects (Planning) Bureau

This Bureau is headed by a qualified electro-engineer (Tr.rem.: U graduate of an university), who is responsible for the quality of the projects and their timely execution to the director and the Executive Board of the enterprise.

Each of the (six) sections of the Bureau is also headed by a qualified electro-engineer, while the Constructions or Building Section is headed by a construction engineer, expert in statics.

Each chief of section~~s~~ makes with his employees his projects, and gives them for approval to the Bureau director.

The director is assisted in his work by a small revision (sic) body consisting of the best engineers who criticize the submitted projects. After the approval of the project by the director -- who undersigns the accepted project -- the paper is given further for technical preparation. Thus, when the project has passed through the Evidence (Archives, Secretariat) Section, it is again returned to the director to be undersigned (sic - Tr.rem.: This second time the projects has been "technically prepared"). While the project is in the Evidence Section (Archives, Secretariat) it is calculated how much it will cost, how many work hours it will take for the execution, and what quality^{and quantity}/of material shall be ~~employed~~ used.

Such a prepared project is then transmitted to the revision commissions of the republics who have ordered the project or on whose territories the person who has ordered the project resides. The main revision commission of the related

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republic controls (inspects) the project; on this occasion, the revision commission invites usually the engineer who has made the project as well as the person who has ordered it. The project is valid only after the approval of the revision commission, and can be ^(submitted to) then used in the National Bank. The National Bank can finance the project only on the base of its approval by the revision commission.

The Projects Bureau plans such objects as ^(electric lines) (electric) conduits (dalekovod), installations for the distribution of power (razvodna postrojenja - Tr.rem.: This could involve electric cables), transforming stations (trafostanice or transformatorске stanice), and other installations for all kinds of potentials (tensions) of electric current. Lately, the group planning the iron (steel) constructions for electric centrals has also been created, projecting for instance the transport bridges (transportni mostovi) and other kinds of transporters (transporter - Tr.rem.: Might be some kind of apparatus for moving loose material with dispatch), as well as smaller steel (iron) bridges.

In April 1955, the Bureau had 75 engineers and technicians, all of whom were pretty well qualified people.

Their work was always satisfactory, and their projects were consistently approved by the revision commissions as excellent.

Ing. Djordje DUKANAC, of Byelo Russian origin (White Russia) is the Director of the Projects Bureau; he is a highly esteemed expert, who speaks ~~an~~ English, French, and German. He knows perfectly the problems of electrification in Yugoslavia, and has up to now regularly got the highest grades (from his superiors).

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The Projects Bureau has also taken part at auctions abroad, as for instance in Turkey, when the project for the construction of a conduit ^{electric line} (dalekovod) and a transforming station has been evaluated as the best one. However, due to the fact that ELEKTROSRBIJA has no great experience on auctions (sic), it did not get the job, despite its most suitable offer from the point of view of planning as well as execution. This happened in 1954.

Personnel of the Projects Bureau

The Director of the Bureau

Ing. Diordje DUKANAC, of Russian origin, about 50 years old, graduate of the university, faculty of electro-machinery. Married. I know that he has a son who studies (at the university), and who tried to escape from Yugoslavia in 1954, but was caught and turned back. Beside the Serbo-Croatian and Russian languages, DUKANAC speaks also English, French, and German. He is an excellent expert, and has a great prestige (authority). He likes to drink. He has some misunderstandings with his wife. Up to now he has been twice in Austria, and once in Cairo, Egypt, in 1954, on an auction. He is not a Party member, and does not sympathize with the regime. His address is : Zahumska ulica 10, Belgrade.

The Chief of the Conduits (Dalekovodi) Section

Ing. Franja GROF, of German origin. During the Nazi occupation of Yugoslavia, he served to the Germans as interpreter; because of that he passed a certain time in prison. He is about 48 years old. Married. Beside the German language, he

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speaks also English, and knows some French. Since 1954, he has become a Party member. After the liberation of Yugoslavia (sic - The source apparently considers that Yugoslavia was liberated by the Communists), he has not traveled abroad. He is a graduate of the electro-technical faculty of the university (elektro-tehnički fakultet). He is liked at the Bureau. He is afflicted with the heart disease, from which he suffers considerably. He has joined the Party in order to avoid persecution because of his collaboration with the occupiers. Address: Braće Grina ulica 2, Belgrade.

The Chief of the Transforming Stations Section (Trafostanice)

Ing. Mihajlo GORTINSKI, about 60 years old; a good expert; married. Beside the Russian, he speaks also well/^{the}French. Russian origin. Pretty often ill, lately. No Party member, and does not sympathize with the regime. He is a graduate of the electro-technical faculty. He is good at making projects. Address: Lole Ribara ulica 35, Belgrade.

The Chief of the Constructions Group (Gradjevinska grupa - Tr. rem.: On the diagram drawn on page 7 of the original text, this was not called a group but a section - odeljenje).

Ing. Andrija Alekse KRAT (Tr.rem.: The middle name Aleksa, is the name of his father), about 50 years old. He has/~~been a professor at~~ the Secondary Technical School (Srednja Tehnička škola). He is excellent in statics, and has a great experience as an engineer (constructor). He is a quiet man, who does not indulge in politics, nor in social relations (lives in retirement). He has a great sense of discipline. Address: Terazije 16, Belgrade.

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Some of the More Known Functionaries of the Projects Bureau

Ing. Ban Milana JOVANOVIĆ (Tr.rem.: Milan is the father's name), about 32 years old; excellent for projects of conduits (^{electric lines}dalekovodi); married; his wife or comrade is also an engineer, and she works with him in the Bureau. He is a Party member, and she is not. He is devoted to the regime, but he likes ^{to} philosophize a little bit. He and his wife have strong materialistic conceptions. His wife's name is Veroslava Miodraga (her father's name) JOVANOVIĆ. They live in Mišarska ulica 8, in Belgrade.

Aleksandar Prvislava TODORIĆ (Tr.rem.: The middle name is the father's name), electro-technician, about 30 years old; makes conduit (^{electric lines}dalekovod) projects. Party member. Married; has a child of 3 years. Despite his youth, he is very serious; excellent worker (expert in projects). He was two times the President of the Workers' Council. He is devoted to the Party. He has began lately to take an active part in politics, and says that he is doing so because he wishes to succeed in his career. Address: 7 Juli ulica 85, Belgrade.

Ing. Milutin Ante (father's name) LILIĆ, about 35 years old; graduate from the constructions faculty. Good in statics and calculations. Pretty much of a materialist. He is not a Party member. He likes to get in touch with people, especially girls. Single. Address: Koše Kapetana ulica 32, Belgrade.

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Ing. Slobodan Josipa (father's name) NALIS, about 32 years old; expert in statics. Not a Party member. Single. Specializing in the construction of buildings, and works with cement. A quiet and retired man.

Nadežda Božidara (father's name) SELENIĆ, Secretary of the Projects Bureau; about 28 years old; Party member. Married to an engineer specialized in statics. Likes too much to criticize things, and closely connected with the committee (Tr. rem.: Not specified which one, but probably some which directs with then enterprise - ~~possibly the Committee of the enterprise's Party organization~~ ^{possibly the Committee of the enterprise's Party organization}). Intriguer who likes to indulge in schemes. Rahter pretty, but morally high (does not indulge in love affairs). She is disliked by people; everybody tries to avoid her, and fears her.

When I was attacked, she was connected with the group of the Party members who together with the committee (sic) worked against me.

About other functionaries of the Projects Bureau, I could more or less indicate only the names, and some of the biographical data, but no detailed information concerning their character and other particularities.

Anton Otokara BAJMEL, electrotechnician, about 26 years old; Party member. Address: Balkanska ulica 18, Belgrade.

Pavao Martina BALOV, technician. Address: Knez Danilova ulica 59, Belgrade.

Draginja Koste BOBIĆ (Tr.rem.: A woman), a geometer, about 28 years old; married, one child; her husband works in Damascus, Syria, on an object which is being built by ELEKTROSRBIJA; she was also supposed to go there with her husband.

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Ing. Aleksandra Milosa BOROJEVIĆ (Tr.rem.: A girl), an architect, about 30 years old. Address: Vladetina ulica 14, Belgrade. She is no Party member. She is single.

Ing. Živadin Dragomira VULOVIĆ, electro-engineer, about 33 years old. Married; one child; his wife is also an engineer of ELEKTROSRBIJA. Both are Party members. A quiet and silent man. He is of average skill, but a hard worker. A thrifty man.

Nastas Petra TASIĆ, electrotechnician, makes projects for conduits ^{electric lines} (dalekovodi), about 35 years old. Single. Party member. Of a taciturn nature, he does not inspire confidence at all; it is believed that he is connected with the UDB. He often goes on the working grounds (building grounds). He lives in Belgrade, Brankova ulica 30,/ in the building of ELEKTROSRBIJA itself.

Miodrag Srpk DABIĆ, technician. Address: Budimska ulica 5, Belgrade.

Natalija Božidara JELIĆ, Bureau typist; she is married to a former officer of the Yugoslav Royal Army, who is opposed to the regime and considered as an avowed reactionary. She is about 45 years old.

Momčilo Božidara KRČEVINAC, technician, a young man; Party member; address: Todora Dukina ulica 81, Belgrade.

Jelka Josipa MARION (Tr.rem.: A woman), technician, about 25 years old. Married. She works on conduits ^{electric lines} (dalekovodi). She was a candidate for becoming a Party member, but has not been accepted, because of her immoral life ^{sic-} (indulging in love affairs).

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Tomislav Alojza MARION, technician; husband of the above mentioned Jelka; about 28 years old. Works on conduits (dalekovodi) along with his wife. He is a Party member. He lives with his wife at Humska ulica 12, Belgrade.

Nenad Milana OGNJANOVIC, technician, works on transforming stations (trafostanice), about 28 years old. Party member. Quiet and living retired. He is considered to be boring when he enters into discussions. Address: Sredačka ulica 14, Belgrade.

Ing. Slavko Bogdana POPOVIĆ, construction engineer, about 45 years old. Single. Does not belong to the Party, and is against the regime. Address: Makedonska 12, Belgrade.

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The Constructions or Technical Sektor
(Izgradnja ili Tehnički sektor)

(Tr.rem.: See the diagram of this Sektor on the original text, page 8.)

This is the most essential Sektor of ELEKTROSRBIJA, which has actually begun its activities as a mounting enterprise (Tr.rem.: monta^Vno preduzece). - This verb with all the nouns derived from it apparently means construction).

The best personnel is employed by this Sektor, and it has taken 4 years to educate it, because there was no skilled construction personnel in the past. Now, qualified engineers (College graduates) are to be found on the building grounds and on all the more important objects; consequently, the quality of the work has noticeably improved. There are still some unskilled laborers, but only on places where these people could not yet be substituted with new cadres (personnel).

Until the middle of 1954, ing. Tasa MARKOVIĆ headed the Constructions Sektor. He was about 50 years old, and was considered as a good organizer; he is a construction engineer (University graduate). He is not a Party member, and is considered as a follower of DJILAS. He is married and has two sons. By the end of 1945 (sic - Tr.rem.: This is probably an error and should be 1954; the source makes frequently this kind of errors by inverting the two last letters of a word), he went as constructions director in Syria. From that time, the General Director has temporarily assumed/also the functions of chief of the Constructions Sektor, because no suitable person could be immediately found for this post.

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All the sectors of the Constructions (Department) are headed by capable engineers; some of the subdivisions of these sectors are headed by older and more experienced technicians. For instance, in the Conduits Sector, which is headed by a main engineer, there is a younger engineer as his assistant, and an older technician who heads the subdivision of 110 kilowatts. Or for example, in the Sector for Mounting of Transforming Stations and Industrial Objects (Sektor za montazu TS i industrijsku montažu), there is, beside the main engineer, also an assisting engineer and several technicians. The situation in the other sectors of the Constructions (Department) is the same.

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factory has been planned; namely, it should be enabled to cins (Tr.rem.: To treat or coat with cinc, or galvanise) the iron (steel) pillars.

The various sectors are further subdivided in sections. So, for instance, the Conduits Sector, had 5 sections for the mounting (construction) of conduits of 35 kilowatts, and 3 sections for those of 110 kilowatts, dislocated in various places (localities).

According to the size of the constructed object, ~~thence~~ as well as to the term of (the time for) the construction, the sections in question might use from 60 to about 350 workers and functionaries. These sections are usually headed by experimented technicians or experienced masters (craftsmen). They are equipped with the necessary number of cars (trucks), as well as with the mechanic means required for their work. ~~The~~

The sections belonging to the mounting of transforming stations are fewer; generally, the sections for mounting transforming stations up to 35 kilowatts consist of about 12 men, while those constructing (mounting) transforming stations up to 110 kilowatts can employ up to 35 workers.

The sections for mounting (constructing, assembling) iron (steel) constructions employ an average of 35 men. (Montaža gvozdernih konstrukcija)

The Mounting of Constructions (Gradjevinaska montaža) uses a larger number of men. For instance, the mounting of cement pillars for conduits of 110 kilowatts requires about 150 men. Or, for example the mounting (construction) of earth ramparts (brana) in KRUPAC, Montenegro, ~~uses more than 500~~ men, which is due to

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the lack of mechanical means; normally, on such a rampart, not more than 200 men should be used.

The main difficulties of ELEKTROSRBIJA are the lack of trucks and mechanic means (gadgets, devices). Because of/^{deficient}mechanization, the quality of the work does suffer, not to speak of the losses of price (the works ^{is} ~~are~~ more expensive).

Besides, the tools are either obsolete or in such bad condition that one cannot count on them.

Furthermore, the cadres of drivers and mechanics are very bad; most of the time, the damages of the machines are caused by them.

The personnel of the Direction is good; however, the cadres for inspection are still inadequate, because those inspections cost a lot, since the enterprise has not a sufficient number of light cars (automobiles) to take the inspectors (on the various building grounds).

Moreover, the material and equipment is not supplied on time on the building grounds, as it should be according to the plans; thus, there are delays in the work, which causes losses.

Despite all that, the men have still considerable enthusiasm for the work.

Men working on the building grounds have higher salaries than those who do office work, but the conditions under which they live are more than desperate (sic). Lodgings are inadequate, and food unsatisfactory. Consequently, no wonder that the mounters (workers) have become accustomed to immoderate drinking and orgies, which is not ultimately good either for the job or the prestige of the enterprise.

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In this matter (debauchery), there is no difference between Party members of those who do not belong to the Party. Party members working on the building grounds do not tolerate any more the Party discipline, and this is one of the main reasons for their defection (falling away from the Party).

Personnel of the Constructions (Department)

The Director of the Constructions (Department)

Atanasije MARKOVIĆ, construction engineer, about 50 years old; he is not a Party member; sympathizes with DJILAS. Married; two sons of about 15 and 17 years. In April 1955, he was in Syria, directing the building of the hydro-electric central SAUDI VOUK BARA, near Damascus, which is being constructed by ELEKTROSRBIJA. He is not liked by the workers, and the Committee does not think well about him either. He likes to fantasy (fancy) too much, and goes too far in imagining progressive possibilities. His wife is an intellectual, she speaks an excellent French, and was for a month in Paris, France, in 1954. He says that he used to be a friend of DJILAS, because they were neighbors, after the DJILAS affair.

The Chief of the Conduits Group (Sector) (Tr.rem.: ~~Those electric conduits or delukovani — a word which does not exist in dictionaries — could and probably are simple electric lines.~~)

Aleksandar ČANAK, technician (Tr.rem.: Graduate from a secondary technical school) still a part time student of the Technical Faculty; ~~he~~ about 35 years old. A very serious and stern man. Very ambitious. Party member. Considerably conceited

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(arrogant). He belongs to a pretty good family. His wife is also a Party member, but she has tuberculosis, and stays home; she used to work for the UDB, in one of its superior offices. Address: Bulevar Revolucije 76, Belgrade.

The Chief of the Transforming Stations Group (Sector)

Ing. Radomir Jovana RADOVANOVIĆ, about 43 years old; Party member; very good and serious expert, actually, one of the best in ELEKTROSRBIJA. He has a great prestige. Pedant (Tr.rem.: An erudite person who unduly emphasizes minutiae in the use or presentation of his knowledge). He speaks an excellent German; after the war, he was stationed for a couple of years in Western Germany as a member of the Yugoslav commission for reparations. For a certain time, he had difficulties with the UDB, after the resolution of the I Bureau (sic - Tr.rem.: This is probably the resolution of the Cominform to kick Yugoslavia out); he was under the UDB investigation, because he was suspected of having worked in Germany for the Russian information service. I told him about these suspicions of the UDB, because I was asked by the secret police whether I knew something about (his activities in favor of Russia); on that occasion, the police told me to shut up about the whole thing. Because of my sincerity, he always remained my friend, but it is difficult to evaluate just how grateful he is; he thanked me for my warning. Address: Georgi Dimitrova ulica 23, Belgrade.

The Chief of the Mounting of Constructions Group

Ing. Milan TOMIĆ, a graduate of the Construction Faculty of the university, about 54 years old; an avowed enemy of the regime. Last April, he was about to leave ELEKTROSRBIJA, because of his contact with the Executive Board. Up to my

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departure, however, he remained in the enterprise, because we used to get along extremely well. He is married and has one son. He has his own house, and some properties (sic). He speaks an excellent French. In 1954, he went to Paris and London to buy some mechanic objects; I sent him on this trip; the mentioned conflict broke out after his return; he said to me on that occasion : "I remained there, old as I am, to see for a little while the world;" he had remained abroad about a month. He has a great sense of humor; he has many connections (friends) in Belgrade.

(The Sector) of Machinery Mounting was momentarily without chief, because right at that time appointments were being made.

The more known engineers and technicians of the Constructions Sector (Department) are :

The Substitute (Assistant) Chief for T. (Tr.rem.: Probably Transforming) Stations
Ing. Nikola PLAVŠIĆ (Tr.rem.: PALVŠIĆ is the name given in the original text, but I am pretty certain that this is one of the usual mistakes of the source; I have known quite a few PLAVŠIĆs), electro-engineer, about 42 years old; excellent expert; Party member. He is very much interested in photography (Tr.rem.: It seems as a matter of hobby). Married; two children. Not in good health, because of stomach disease. He desires to go abroad, to get some good practice (acquire experience).

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The Substitute Chief for Conduits (Dalekovodi - Electric Lines)

Ing. Stevan Živana (father's name) TODORVIĆ; he was, besides his professional occupation, also the Secretary of the fundamental (sic) organization of the Party within ELEKTROSBIJA. He is about 30 years old. Married. His wife has graduated chemistry (Tr.rem.: It seems that she is a university graduate); she travels often abroad. He is a quiet, but very ambitious man. His colleagues like him because he has a great sense of humor. He is not an intriguer (cheater), and he was forced to accept the position of ~~Party~~ Secretary of the Party organization in question. He has no children. Address: Bregalnička ulica 7, Belgrade.

Borko Rada MILOVIĆ, technician, about 38 years old. He was formerly the Director (Tr.rem.: It seems the General Director) of the enterprise, but he has succeeded in slipping out of that post (sic), and works now on the construction of conduits (Tr.rem.: It looks like the Director is in no enviable position; may be because ^{he is} too exposed to responsibility). He is a serious man, and a good one (companionable). Married, no children. Party member, but only because of duty (because he has to be). He lives in retirement (secluded from society); he is not in accord with his wife; she is not a Party member. Nevertheless (despite his secluded way of living), he likes society, and women. Both he and his wife are from wealthy families from KRALJEVO. Address: ulica 7 Juli 85/4 sprat (floor), Belgrade.

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Živa (Tr.rem.: Could be Živan) Ranka ZURKA, has no education but works as a technician; he has excellent connections with the police and the UDB; he is authorized to be armed. Married; one son. He is communicative, but is not liked by people. He has married a reactionary girl, who is wealthy; he is criticized because of that; he took the liberty to reply to his critics that he has not married the Party but the girl he liked. He is about 35 years old. Address Djure Djakovića ulica 36, Belgrade.

Dimitrije Todora DUNDAS, construction engineer, about 33 years old. Single. Not a Party member. He is a good engineer, and he likes society. He is the Assistant of Ing. TOMIĆ of the Constructions Group. Address: Požarevačka ulica 35, Belgrade.

Radivoje JAKOVLJEVIĆ, electro-technician, about 34 years old; married; no children. Party member. He is not a good technician, nor a good Party member; (sic) just a materialist, who only looks for a good pay (salary); very bad quality (sic). (Tr.rem.: It is not quite clear what the source means by saying that he is not on the proper level as a Party member; possibly, that he is no ideologist.)

Jovan Petra DUVNJAK, excellent construction technician. Married; two children. Party member. On the building grounds, he directs the work. He likes women, and likes to change them often. He is now working in Syria. About 33 years old.

Angelina Dobrivoja JOVANOVIĆ, construction technician (Tr.rem.: a woman). She is married; has no children. She is not in the best relations with her husband. She is no Party member. About 28 years old. Address: Radnička ulica 3, Belgrade.

Mila-Ljudmila Viktora (father's name) ILIĆ of the Constructions

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Department. She is divorced, and about 35 years old. She is of Russian origin. She lives (Tr.rem.: It seems in concubinage) with Ing. Lazar BRATONOŽIĆ. She is persecuted by the UDB, but thanks to my attitude she has not been fired. She is very pretty, but likes to indulge in love affairs. Everybody in the enterprise knows ~~nothing~~ about her relations with BRATONOŽIĆ, except Mrs. BRATONOŽIĆ. She is not a Party member. (Tr.rem.: The fact that she lives with BRATONOŽIĆ is heavily underlined with red pencil in the original text, and is the only passage ~~of the original text~~ so underlined.)

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Local Electrification

(Tr.rem.: See diagram on page 9 of the original text.)

This Sector (Department) was created in 1951, and has up to now shown excellent results. It is in charge of the planning and the mounting (installing) of electric objects of various size in towns and villages.

Due to the fact that Yugoslavia is very inadequately electrified, and that there is a desire to remedy to this state of affairs as much as possible, this Department has always plenty to do, despite the fact that competition is the strongest in this field. According to the present situation, this Sector is in the best of conditions for development for at least the next twenty years.

Julije ^ČCEPREGI, an old and experimented electro-technician is the head of this Sector; he is about 53 years old; ~~he~~ married, and has a daughter who is married. He is not a Party member, and he sympathizes with the regime only to the extent of his needs, and because he is the head of a sector; otherwise, he encourages private initiative, because during the war and before it, he used to live very well indeed. He is of Czech origin, and speaks Czech pretty well; ^{he} ~~and~~ speaks perfectly the German. He traveled to Turkey, on some auctions, and he likes to travel abroad; he was used to trips in the past.

His Sector (Department) has the sections (odeljenje) for Conduits (Dalekovodi-
Electric Lines), ^{and} for ~~Industrial~~ Mounting of Industrial Objects (Montaža industrijskih objekata. Besides, he has also his little Projects Bureau, which makes plans for smaller objects; the job in this Bureau is constantly ^{being} sing.

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CEPREGI is very much liked, and ~~he~~ is a good manager. He has much tact. However, on the other hand, he is afraid of the authorities, because he was exposed to a great deal of inconvenients when he was investigated because of his collaboration with the occupiers (Nazis).

His Sector has about 150 workers and functionaries.

Since the construction of the factory for electric equipment in RIPANJ, he collaborates with it in standadrizing the equipment for local electrification.

I know only a few people working in the Projects Bureau of this Sector, as : Miloje Bogoljuba LEKIĆ, electro-technician, about 36 years old; married. Because he married in Church, he was thrown out of the Party. Excellent expert in making projects; he earns more than any other planner, because he makes more projects than the number (norm, quota) fixed (by the authorities).

Dusan Lazara RADOSAVČEV, technician; makes projects (planner); about 30 years old. Party member. Address: Bulvar Revolucije 2a, Belgrade.

Jovanka Vlade JOVAŠEVIĆ (a woman), typist; a widow. An enemy of the regime. Address: Prote ^Mateje ulica 33, Belgrade. About 40 years old.

Vera Aleksandra KOKOŠ (a girl), typist, about 33 years old; single. Party member. She has not the desired degree of morality (Tr.rem.: Indulges in love affairs). Address: Kapetan Mišina ulica 9, Belgrade.

Milan Mane (nickname) Dimitrije (father's name) PETROVIĆ, Secretary of the Bureau (Tr.rem.: Probably the Projects Bureau of the Sector of Local Electrification), about 50 years old; married; he has some children. Party member, but not a convinced one. He likes to drink. Address: Bulvar Revolucije 220, Belgrade.

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The Factory of Electric Equipment R I P A N J

(Tr.rem.: The translated diagram related to the organisation of this factory is on page 10 of the original text.)

The organising of the factory began in 1954, and the factory began partially to operate already in that same year and during the following one.^(sic)

The main assignment of the factory is to produce (manufacture) :

interrupters (prekidaci - Tr.rem.: Probably some device to interrupt or make and break automatically an electric current);

separators (rastavljači - Tr.rem.: Probably the device for preventing metallic contact between the electrodes of opposite polarity within a voltaic cell);

securers (osigurači - Tr.rem.: Possibly some kind of electric fuse, as safety fuse perhaps, which is inserted for safety in an electric circuit) for tension up to 35 kilowatts.

Then, the factory must produce:

low tension condensers for cosine^Y (niskonaponske kondenzatore za cosinus fi).

Later, (the factory ^{intends} ~~was~~ to manufacture) also the :

high tension condensers;

electric equipment for the electrification of villages and towns;

equipment for electric pulling (hauling, transporting - vuča), and the related material, as material for hanging the wires of conduits (dalekovodi - electric lines).

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46

According to the kind of job (articles it produces), the factory is divided in various sectors. Each sector has its own small projects bureau which makes the tests also, and its control organ.

The productions is centralized, and mainly concentrated ⁱⁿ ~~through~~ the Production Sector. However, each sector controls ^(itself) the quality of ~~its own products~~ the articles and stuff that it has to use; namely, no product is accepted by a sector, without being first declared suitable by its own control organ. (Tr.rem.: The reason for such tight control is probably to avoid accepting defective stuff which the sector cannot use.)

The factory has also its Accounting (Bookkeeping) Sector, its Commercial Service, its Personnel Service, (Tr.rem.: This latter is probably a part of the General Service mentioned on the diagram of page 10) etc.

I cannot give minute details about the organization of the factory, because it was in the process of formation (when I was in Yugoslavia), and I do not know how much has been done up to now.

I have bought myself the license of the factory MAGRINI of Bergamo, Italy, authorizing the manufacture of their patent on interrupters, since I was not able to conclude an agreement with the Swiss-Austrian (sic) firm SPREHER and SU; namely the prices of this firm were not suitable, and the Yugoslav National Bank had not enough Swiss francs for the payments, while the Italian lire were more easy to get.

The separators and the securers (osigurači - fuses) are produced after the models ~~that~~ of (invented by) the factory RIPANI itself which is a well known fact.

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The cosine *Y* condensers (kondenzatori kosinus fi - Tr.rem.: This time the word kosinus is written with a k, which is the Serbo-Croatian spelling, while the first time it was written with a c -- cosinus -- which is the Latin spelling) are made on the license of the French firm Merlen Zeren (Tr.rem.: The French spelling must be different, possibly something like Merlain Geraine), which has also delivered the testing devices (ispitni uredjaj) as well as the other equipment necessary for the production of the condensers in question. The agreement concerning this license has been stipulated by the former director of the factory RIPANJ who is now the Director General of ELEKTROSRBIJA, ^{ing.} Slobodan ILIĆ; the stipulations took place in Paris, France, in 1954.

All the other products are manufactured according to the projects of ELEKTROSRBIJA.

The factory is located at about 20 kilometers from Belgrade (sic); an asphalt highway passes at about 4 kilometers near the factory, and from that point, there is a first class road which leads to the factory. The factory has excellent connections with the railroad, and it can be said that the spot is excellently suited for a factory.

The building has three stories, and is a modern construction of armed cement; two additional floors (stories, flats) can be added. The construction was originally meant to be a factory of precision optic instruments for aircraft; however, this ^{aircraft} factory was later transported to Bosnia, and ELEKTROSRBIJA then overtook the building.

The superficies of the factory is 6,500 square meters.

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Until my departure (from Yugoslavia), there were about 190 workers and functionaries in the factory. I hear that there are now more than 300 of them. It is anticipated that the number of ^{the}/personnel should be about 1,000.

I have also learned that many condensers have been produced, but their sale is slow, since nobody has money to buy. Namely, the credits have been blocked (cut) to the enterprises in Yugoslavia. (sic)

The building has its central heating, and modern washrooms.

The personnel of the factory consists mostly of old (former) employees (functionaries) and workers of ELEKTROSRBIJA who were fed up with the work on building grounds (on various locations) and who have asked to get their jobs there (in RIPANJ) in order not to wander from place to place. However, from the technical point of view (sic), the personnel was not yet skilled until April 1955, despite the intense propaganda which was under way.

At about 2 kilometers from the factory, there are apartment houses which have about 50 apartments; there is also a large hotel of some 100 rooms, capable of lodging about 200 persons. It is planned to build every year new apartments for the workers and the functionaries who do not wish to travel by train or buses of the enterprise. The enterprise (factory) had two large buses for the transport of the technical personnel from Belgrade.

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The Personnel (Cadres - Kadrovi) of the Factory

Milenko JOVAKARIĆ, who used to work formerly in the Projects Bureau in Belgrade, has now been appointed as Director. He is 32 years old. Party member; very ambitious. Single. We (he and I) were always in good relations, because I helped him.

The other personnel is not much known to me, excepting some engineers and older mounters (craftsmen) (monteri).

Ing. Dragutin POP LAZIĆ (Tr.rem.: It is rather unusual to have two last names in Serb). Single. Party member; he is one of the first-fighters (Tr.rem.: prvoborac - that is one of the men who have fought with the Communists ~~at~~ since the very beginning of the war); he wears a prosthesis on his right leg. He likes to drink. I was the Godfather to his cousin (daughter of his aunt on the maternal side).

Ferid MUJČIĆ, electro-technician. Married, one child. Party member. About 30 years old; he is very devoted to me. Very good technician. His wife Mira RAMADANOVIC (Tr.rem.: This last name is probably her maiden name, since it is not indicated that she is divorced) is also a technician. She has been thrown out of the Party; she has written to me, and has offered to inform me about matters which might interest me.

Vera OSTROVSKI, electro-technician; about 30 years old; she works on condensers. Divorced. Party member. I have sent her on practical work (studies) to France. She is serious, and lives pretty much in retirement.

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Pera STOJKOVIĆ, electrician (electro-mounter, elektromenter); member of the Workers' Council and the Executive Board; he was in the past the President of the Workers' Council. Party member. Married, two children; however, he likes to indulge in love affairs; for a certain time he was thrown out of the Party because of immorality; however, he was later accepted back. He is about 36 years old. He is very much liked by people (popular), and is known in the enterprise under his first name Pera.

Milutin Luta (nickname) MILENKOVIĆ, electrician (electromonter - electro-mounter); about 30 years old. Married; one child. Party member. He was for several years the President of the Executive Board of the enterprise. He is a very well known person, and is very popular (liked). I was in excellent relations with him. He likes to drink.

Jovo MARČETA, galvanizer heading the galvanization job of the factory; about 50 years old. Married. In good relations with me. He wrote me, and asks me to reply. Party member.

Stevan SATMARI, machinist and locksmith (mašinbravar), works in the section of the models for interrupters. He is my cousin (the son of my aunt on the maternal side). Married; one child. He is not a Party member; he dislikes the regime. About 34 years old. He lives, like MUJDIĆ and MARČETA in the apartment houses of the factory.

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Dragica KOHUT, hostess of the apartment houses of the factory. My mother. 58 years old. Widow. She is not a Party member. I correspond (by letters) regularly with her. She is of German origin.

Nebojša VRAČAREVIĆ, Secretary of the factory. About 42 years old. Married; two children. He lives in Belgrade. He is a Party member. We were (he and I) in excellent relations. He is inclined toward the Cominform. He is not reliable (not a man on whose word one might rely). He likes to flatter people. He likes women. He has graduated high school. He is from Novi Sad, Vojvodina.

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S e c t o r f o r V e h i c l e s a n d T h e i r M a i n t e n a n c e

(Pogon za remont i saobraćaj - Shop for Repairs and Communications)

This Sector is in charge of the maintenance of all the motorized vehicles and mechanized objects of the enterprise.

This is one of the most sensitive and worst sectors of ELEKTROSBIJA.

The enterprise has more than 80 motorized vehicles as trucks of 10, 5, and 3 tons, various hauling tractors (traktori za vuču), scrapers (Tr.rem.: For scraping up, transporting, and dumping earth), and several bulldozers.

The distribution of all these mechanized objects and motorized vehicles is made by the Constructions (Izgradnja) Sector, but their maintenance and repairs are in charge of the Shop for Repairs and Communications.

The repair shop and the garage of the Sector are located in Zmaj Jovanova ulica 66, in Belgrade.

All the vehicles which are in need of general repair are repaired by this shop. Lesser repairs are made on the various places where the vehicles are used; to that effect, the shop has its cruising groups (leteće grupe) which control the state of the vehicles by visiting the various places, and make ^{right} there ^(on the spot) the lesser repairs.

All the vehicles and the ^h mechanic devices are old, and they are of various types (models); thus, it is no wonder that there is quite a mess in this Sector. We must also add that the spare parts ~~are~~ difficult to get, and we ~~will~~ ^{thus} have a

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precise picture of the situation. It often happens that some of the parts of one vehicle are put on another, and in the end it is difficult to recognize the original model of the vehicle. For the unskilled personnel of the Sector, this ^(state of affairs offers them) is the occasion to make various tests, because they can do there whatever they please (Tr.rem.: The source is ironic in this instance, and wishes to say that the unskilled personnel has ^{also} caused the mess in question.)

Like in the other similar enterprises in Yugoslavia, the fundamental problem of ELEKTROSRBIJA is that of transport, which has not ^(yet) been solved; the various types (models) of vehicles ~~are~~ complicate this matter. To remedy to this state of affairs, Yugoslavia has begun to produce herself heavy trucks, after the license of the Austrian firm SAUER; however, the heavy trucks manufactured in Yugoslavia are very expensive; each of them costs above 20, 000, 000 (twenty million) dinars, and it is understandable that not everybody can afford that price.

This Sector has a hard job indeed, especially when one takes in consideration that the drivers are the most rotten element among the workers, and the most cunning people at the same time. It is difficult to imagine to what subterfuges the drivers do resort in order to get extra money. They transport illegally passengers and merchandise, they do not come to work but indulge in blackmail (sic), and all this has been going on for days and days, and years and years. For five years, I have not been able to bring order among the drivers. Those drivers continually change their vehicles, so that one can never know who has ruined the vehicle, and who is responsible for what. Besides, the drivers

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drink too much, and accidents happen every day; sometimes, people are killed in those accidents, and it is difficult to prevent them.

The management of this Sector is subject to frequent changes, because its Advisory Board -- a body similar to the "workers' council," but with more restricted authority -- always objects against any director of the Sector who desires to bring order. Consequently, during the first five years of the existence of ELEKTROSRBIJA, ~~there~~ six different men have assumed the direction of the Sector, and not one of them has been good.

The Sector is headed by a director (upravnik), who is assisted by a technical manager.

The Sector is further divided in various departments (odeljenja), as :

Motors Department (Motorno odeljenje);

Motors Repairs (Opravka motora)

Mounting Department, or General Repairs of the whole vehicle and their mounting (Montažno odeljenje generalni remont celih kola i montaža istih);

Electric Department - comprising the work connected with electricity on the vehicles (Električarsko odeljenje - električarski radovi na kolima);

Upholstery Department (Tapeacersko odeljenje), and

Painting Department (Farbarsko odeljenje).

Then, the director has the cruising group of motorists who inspect the vehicles on the ^{new} places where they are used, and he has also a technical commission

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which receives and delivers the vehicles (sic).

The Sector has also its Accounting (Bookkeeping Section) and its Secretariat, which, among other things, is in charge of the personnel.

This Sector had about 160 workers, drivers, and functionaries.

Of its personnel, I know only :

Adam Ivana ~~SMIT~~ SMIT, about 50 years old; he ~~was~~ had before the war his own garage, and is an excellent expert. He is married and has children. He is a very honest man, and a hard worker, but he comes often in conflict with the drivers whom he presses for work.

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A c c o u n t i n g (B o o k k e e p i n g) S e c t o r(Privredno-računski sektor - Economic-Accounting Sector)

This Sector has about 45 functionaries who take care of the bookkeeping of the enterprise. This Sector is divided in the following departments :

Bookkeeping (Knjigovodstvo), which in turn is subdivided in : Financial Bookkeeping (Finansijsko knjigovodstvo), and Material Bookkeeping (Materijalno knjigovodstvo), and the

Department for Liquidation and Cash-Office (Likvidatura i Blagajna).

The Sector is headed by a director.

The man who is at the head of the Bookkeeping Department is called the Main Bookkeeper (Glavni knjigovodja), and the one who is in charge of the financial matters is called the Chief of Financial Operations (Šef finansijske operative).

All the documents either of a material or a financial nature (sic) come to the Bookkeeping Department, where they are controlled, kept, and entered into the books. The Financial Bookkeeping (department) controls the importance (validity) of the financial documents, while the Material Bookkeeping (department) controls the situation of the magazines (depots) and takes care to enter into the books the (stored) material.

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The director of this Sector is assisted by several revisors (revizori) who inspect the working grounds and the shops controlling how the money is spent and how the material (equipment) is used.

This director enjoys great prestige in the enterprise, he is actually third in rank in ELEKTROSRBIJA, coming after the General Director and the Director of ~~the~~ Constructions (Izgradnja) Sector.

The books of ELEKTROSRBIJA are kept with skill and ^{are} in order. After the first crisis, the books are ^{now} kept up to date, and the balances (evidence of debits and credits) are made on time. There are but a few enterprises in Yugoslavia which could show such an orderly bookkeeping, where the data are as easily found as in ELEKTROSRBIJA. Among all the customers of the National Bank, ELEKTROSRBIJA occupies one of the very first places by its exactitude, timeliness, and positive gains (profits).

For such an (excellent) organization, we have to thank the former Director of that Sector ~~the~~ ^{the} ~~engineer~~ engineer of commercial sciences & sic - Tr.rem.: It seems that the title of engineer has been given to those who have graduated the superior commercial studies) Laza PETROVIĆ; he is now the adviser of the director for financial problems, a post that I have created myself before my departure. In the past, he was an accountant in the enterprise MAKIS^y, and was already considered as an excellent expert. My relations with him were excellent, and he used to work indeed as hard as he could. He was often in trouble with the UDB or the authorities who attacked him for having worked with the capitalists, during the (enemy) occupation

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(of Yugoslavia); however, everybody had to do something (in order to survive); now, he is under attack because he has his own house, etc., but I have always found some way to protect him. Consequently, our relations were based on mutual aid and confidence. He is 56 years old, is married, and has children.

The commerce engineer (engineer of commercial sciences - inženjer komercije) Vlada MILISAVLJEVIĆ was appointed as Director of the Sector. He has studied in England, and is also over 50 years old, is a good man, and an excellent expert. He speaks a perfect English. He had also considerable troubles with the authorities, and I was compelled to use all sort of means to protect him; I used to emphasize that it is necessary to keep him as an expert. He is married.

Of the rest of the personnel, I shall mention but a few :

Vojislav Zivana ^{bookkeeper} ZIVANOVIĆ, main/~~accountant~~, about 38 years old. Married; has children. Party member. Has graduated the superior commercial studies. Very ambitious, and one must be very cautious while working with him; he is only concerned about his job, and his promotions in the service (career). Address: Gaston Gavrije (sic) ulica 5, Belgrade.

Zivana ^X RAJACIĆ (Tr.rem.: A girl), main accountant; single; about 36 years old; rather poor health; a quiet worker. She has a great prestige in the enterprise. She is poor (not wealthy), and very honest. She is not a Party member. Address: Ustanička ulica 20a, Belgrade.

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Momčilo Djordja MANIĆ, Chief of Financial Operations. Formerly, he was a member of the Executive Board. About 35 years old. Married. Not a Party member, but ~~is~~ connected with the police, and acts as informer. A dangerous man, on whom one cannot rely. His left hand is somewhat crippled (disabled); he is deprived of its use.

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The Commercial (Trade) Sector (Komerčijalni sektor)

This Sector consists of the commercial (trade) service, the supplies service, and ~~the~~ the central magazine (depot) of ELEKTROSRBIJA, located in Zmaj Jovanova ulica 66, Belgrade.

It is headed by a director of the Sector, to whom are subordinated the chiefs of the commercial service, the supplies service, and the Main Storekeeper (Stockkeeper - Glavni magacioner).

The Commercial Service takes care of all the accords (contracts, agreements) of the enterprise, and — through the Supplies Service (sic) — orders all the material (stuff) and equipment necessary for the work of the enterprise, controls its quality, and checks all that it has received and delivered. Together with the Constructions Sector, the Commercial Service takes part on ~~the~~ auctions, and elaborates the offers; when the project is established, the Commercial Service specifies what kind of material is needed, and hands over the list of this material to the Supplies Service. The Commercial Service, finally, prepares all the documents which have to be entered into the books of the Material Bookkeeping (section - Materijalno Knjigovodstvo - see page 56).

The Supplies Service buys in fact the material in Yugoslavia (Tr.rem.: It seems that it cannot buy it abroad), according to the orders of the Commercial Department (sic - The source probably wished to say Service instead of Department), or some other sector of ELEKTROSRBIJA.

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Due to the fact that the good operation (smooth functioning) of this Sector is very important, it has pretty good functionaries. Actually, it is from an accurate calculation of the material, equipment, and other expenses that depends the price of the article that has to be produced by ELEKTROSRBIJA; that is why this Sector is so very important.

This Sector has its Bill Department (Fakturno odeljenje) which makes the accounts of goods sold or services rendered (with the price or charge). The fact whether the enterprise will get in time the money it has earned, depends from the up-to-dateness of this Department; consequently, the functioning of this Department and its co-operation with the Constructions Sector are very important for ELEKTROSRBIJA.

Milenko GAVRILOVIĆ is the head of this Sector; he is about 32 years old; he is the former director of ELEKTROSRBIJA; he is a graduate of the Academy of Commerce (Tr.rem.: It is a secondary school); ELEKTROSRBIJA has paid the tuition for his education for two years.

Vlada MILISAVLJEVIĆ, engineer by education, was formerly the head of the Commercial Sector; later, he was appointed as head of the Accounting (Bookkeeping) Sector (Privredno računski sektor). I have effectuated myself this change of posts, because I wanted to have around (me) people with whom I could work. Since 1953, he is a Party member. During the war, he has fought along with the Nazis against the Russians, but he has succeeded to get out of that situation, and has later joined the Partisans (Tr.rem.: the Communists). However, his co-operation with

the Nazis is not forgotten, and he still has troubles (with the authorities) about that matter. He is married, and has one child. We were the best of friends. His wife works on bookkeeping in ELEKTROSERBIJA.

Of the other personnel of ~~the~~ the enterprise, I can mention :

Boško Jovana JOVANOVIĆ, Chief of the Commercial Service; about 40 years old; married, and has children. He is a straight fellow, and has had troubles because of that (sic). He is no Party member, but his brothers are all superior functionaries (Tr.rem.: Probably of the Party); one of his brothers is the Director of the National Bank of Serbia, and the other is a high functionary in the finances of the Republic (Tr.rem.: Probably of Serbia). Despite the fact that his brothers are such men (Tr.rem.: It is implied that they have no scruples since they occupy such high positions, and are perhaps convinced Communists), he has remained a true individualist; before the war, he owned a large sawmill, which was confiscated after the war. Address: Braće Jugovića ulica 7-9, Belgrade.

Branislav Miladina PERIĆ, Chief of the Supplies Service, about 33 years old; not a Party member; poor (not wealthy); married; good worker; popular; no friend of the regime.

Kosta Vojislava MARIĆ, Main Storekeeper; about 55 years old; married; not a Party member; he is an avowed enemy of the regime; excellent expert; popular in the enterprise. Honest. Likes to drink.

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The Export-Import Sector (Izvozno uvozni sektor)

For the time being, this is the smallest Sector of ELEKTROSRBIJA; it has only 20 functionaries, but its (yearly) business amounts up to 1,000,000,000 dinars.

Its assignment is to buy equipment and material abroad, and to that end it gets the foreign currency (bills of exchange) from the Republic (of Serbia) or the Federal Executive Council (see diagram on page 5 of the original text - Tr.rem.: The authority of the Republic involved in this matter is probably the National Bank which is drawn on the same diagram). This Sector buys supplies abroad also for other enterprises which have no import department; that is why the amount of its business is so high.

The Export Sector (sic - Tr.rem. The source probably meant to say Department) has been more recently created, and its assignment is the exportation of the products manufactured by the factory of RIPANJ and^{to}/take care of the works of ELEKTROSRBIJA abroad. For the time being, this Sector is -- from the purely commercial point of view -- in charge of the constructions built by ELEKTROSRBIJA in Damascus, Syria; namely, it supplies the material necessary for the construction in question (Tr.rem.: We have seen on page 60, last paragraph, that the Supply Service of the Commercial Sector buys only the material in Yugoslavia).

The Sector is headed by a chief, and it is divided in two (departments): the Import (Department), which is the larger one, and the Export (Department).

All the personnel of this Sector is considerably skilled, and consists mostly of people versed in commercial matters and foreign languages.

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This Sector has its own bank account (budget) which is under the control of the Accounting (Bookkeeping) Sector (Privredno računski sektor).

The Sector buys the equipment and the material abroad on the base of the offers that it gets from foreign countries. At the present time, the system of auction is obligatory (Tr.rem.: This was the usual practice in Yugoslavia before the war; there must be at least three offers from different firms, and the most convenient of the three is accepted); countries of the Eastern block must obligatorily be taken in consideration with their offers.

The Manager (Rukovodilac) of the Sector is Branislav Mihajla MIHAJLOVIĆ, 36 years old; a trade expert; /he has graduated high school. Party member. Married; one child. His wife is the sister of Mijalko TODOROVIĆ, a member of the Central Committee of Yugoslavia. He is connected with the UDB and the KOS. He is not liked by people; cunning fellow; he is not a good expert, but has good connections. He was abroad, in Austria and Germany — Exposition in Hanover in 1954. Address : Neznalog Junaka ulica 25, Belgrade.

Alfred Josipa RIZL, Chief of the Import Department. Engineer by education. About 55 years old. Former engineer of SKODA of Prague, Czechoslovakia; later, a dealer of SKODA in Belgrade. He speaks well in Czech and German. Excellent in commercial matters (good salesman). He is inclined to me (likes me), but he is extremely timid (easily scared). Married; his daughter is married to a Yugoslav (sic) officer, and lives in Rijeka. He has considerably traveled to Austria,

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Germany, and Italy, and he still goes around. He was with LILIĆ to HAUSER when I was asked to return to Yugoslavia. He is not a Party member. Address: Knez Milentija 16, Belgrade.

Vojislav Vlastimira BOGIĆ, businessman (expert in trade - komercijalist), graduated lawyer (faculty of law); excellent expert. ¹ He helped him in hiring him, because he was mistreated by the authorities. Excellent in German, French, and English. He works on export matters. About 40 years old. Married. He is not a Party member. He would like to serve abroad. He asked me to send him abroad, but I asked him to remain in the enterprise while I was there myself. Address: Slivija Kranjcevicica ulica 16, Belgrade.

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The General Sector (Opšti sektor)

This Sector has the following departments :

The Personnel- Cadres Department (Personalno kadrovsko odeljenje) which takes care of the appointments of the personnel (Tr.rem.: It is not clear whether this Sector appoints actually the functionaries and hires the workers, or whether it simply keeps their lists up-to-date), issues the identification booklets of the workers and the functionaries, takes care of their hospitalization, writes the documents concerning the appointments of the personnel, and is in general in charge of the employees. The employees of this Department are confidential people, and Party members.

The Legal Department is in charge of the legal services which are divided⁽¹⁾ in two groups: / suits (actions, controversies) within the enterprise itself, as pursuing for various embezzlements, or infractions of a disciplinary nature, and (2) suits out of the enterprise, as controversies between ELEKTROSRBIJA and some other enterprise.

The Archives, which register all the letters, and do all that such a department usually does; it has yearly somewhat above 40,000 numbers (registered letters).

The Secretary of the Sector is its head. He opens the mail and has to mark (sign - signira) it according to a certain order and key (sic) (Tr.rem.: He probably distributes the mail to the various departments). He represents ELEKTROSRBIJA

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in legal matters (suits, controversies, actions), takes care of the development of the personnel (sic - Tr.rem.: Probably watches their behavior), and is, generally speaking, a most confidential person^{usually}age. It has/to be a Communist.

Of the personnel of this Sector, I will mention :

Vojislav Milivoja NOVIČIĆ, lawyer (graduate of the Faculty of Law); he was appointed on the base of a contest, ~~mm~~ in 1954; he is the first Secretary who is not a member of the Communist Party; I demanded his appointment, which has, naturally caused great conflicts with the Committee and the Party members, who used to object: "How can a man who is not in the Party examine the documents of a Party member ?" He is about 35 years old. Not married. Hard and honest worker. I do not believe that he has kept his position after my departure from Yugoslavia. Address : Djordja Vašingtona ulica (Georges Washington Street) 44, Belgrade.

Mladen Blagoja ANDJELIĆ, Chief of the Cadres Department. Party member. He is an UDB officer, and works for the UDB (sic). He is quiet, but not popular in the enterprise. He tries to get appointed as secretary; however, when I was there, I prevented him, because he has not the necessary^{school}/qualifications (education); that is why he was against me when my case (came up, broke out - Tr.rem.: Probable new allusion to the conflict which the source has had with the superior authorities of the enterprise). He is about 30 years old. Married. In the past, he has worked for the police, and was an employee of the Ministry of Internal Affairs of Serbia. Address: 14 Decembra ulica 59, Belgrade.

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Radoslav -- Bata, Rade (nickname and diminutive) Božidara (father's name) PETROVIĆ, Chief of the Archives; about 45 years old. Single. Party member, but not a convinced one. Likes women. Liked in the enterprise (popular). He does not like the Chief of the Cadres. He likes to drink. One cannot rely on his doings. Address: Gučevska 8, Belgrade.

Adolf Janeca JEMEC, former secretary of the enterprise; about 30 years old. Married; one child. Party member. He plays an important role with the Committee and the UDB; however, he is a man of straight character. ANDJELIĆ has succeeded to kick him out of his position (of secretary); now, he is the chief of the propaganda department of ELEKTROSRBIJA, and the ~~newspaper~~ magazine (Tr.rem.: some kind of periodical paper) of the enterprise; this magazine is owned by ELEKTROSRBIJA. He is a very honest man, and is very popular too; but, he is in conflict with the Committee. He is a Slovene. Address: Miloša Savkovića ulica 9, Belgrade.

Olivera Marina MANDIĆ (a girl) works with JEMEC in the propaganda department. Single; about 33 years old. She works for the UDB. I have already given more detailed information about her. She is not a Party member. Address: 14 Decembra ulica, 74, Belgrade.

Dušan Mihajla RAFAJLOVIĆ, legal adviser, about 40 years old. Single. Good lawyer. He is affected with tuberculosis.

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4) Property of the Enterprise

In April 1954, ELEKTROSRBIJA had a total of about 3,000 functionaries and workers.

Its property consisted of :

- 1) The factory of electric equipment in Ripanj
evaluated at about 350, 000, 000 dinars
- 2) Repair shop for vehicles (including the vehicles
but not the construction machinery) worth about 150, 000, 000 "
- 3) Separate shop in Cuprija (including the con-
struction machinery) evaluated at about..... 200, 000, 000 "
- 4) The magazine (depot) in Belgrade, with its own
equipment and stored material, worth about 350, 000, 000 "
- 5) Other inventory (material) as office furniture and
stuff for projects worth about..... 25, 000, 000 "

Total value about : one billion "

This evaluation is based on my recollections of the assets of ELEKTROSRBIJA as they were established in the balance of credits and debits forseen for the year 1954. Actually, the value of the RIPANJ factory is much higher than given above, but it has been entered (registered) into the books as worth 350 million dinars; the same goes for the vehicles repair shop.

The credit of ELEKTROSRBIJA in the National Bank of Serbia was 350,000,000 per month; however, this sum was not always the same (Tr.rem.: It seems that the given sum represents the average monthly credit which ELEKTROSRBIJA could draw from the National Bank of Serbia). ~~Resident~~ ~~ALAN~~ ~~the~~ ~~Import~~ ~~Department~~ had its own

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credit amounting to 150,000,000 dinars (Tr.rem.: Presumably this is also a monthly credit).

If we analyze the above data, we come to the conclusion that the property of the enterprise is large, but when we take in consideration the amount of trade transactions (the volume of business - obrt) which ELEKTROSRBIJA performs during a year, we might deduce that there is something wrong in the enterprise. For instance, the volume of business planned for 1955 amounted to more than 4 billion 000,000 dinars, whereas the profit which was foreseen (planned) did not exceed 200,000/dinars; thus, we come to the conclusion that this profit is not in proportion with the invested capital (Tr.rem.: The implication is that the profit is too small in comparison with the investment).

The reasons (for such a low profit) are : the expenses concerning the repairs of the vehicles, old (obsolete) mechanization (machinery), and the old fashioned way of the production.

However, in comparison with other similar enterprises, the situation of ELEKTROSRBIJA is brilliant; namely, in those other enterprises, the situation has deteriorated to the point of disintegration, and they have to look for other fields of work in order to exist.

(The situation is aggravated by) irrational use of the working time, and by the frequent conferences of the workers and the executive organs, which increase heavily the expenses. For instance, a single meeting of the Workers' Council of ELEKTROSRBIJA — when all the travel and other expenses are counted —

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comes to cost about 500,000 dinars; we must calculate that there are six such meetings every year, which amounts to about 3,000,000,000 dinars a year; when we count the conferences which are held on the building grounds, the total sum of these meetings amounts to about 10 million dinars a year. When these figures are shown to the people who manage the enterprise, they only shrug their shoulders and declare: "The essential thing is that the workers manage, all the rest is of secondary importance."

Beside the above enumerated expenses, we must add that the enterprise has to pay the interest (rate of premium per unit of time paid by the borrower) to the National Bank on its property, because the property in question belongs in fact to the state, and is only borrowed to the enterprise. Recently, interests were paid on the real value of the property, and not on the value which is registered in the books (Tr.rem.: We have seen earlier that the registered value was far below the real one); just when I was leaving Yugoslavia, the real value inventory was being made, and it is according to this inventory that the enterprise will have to pay the interest to the National Bank. (This is the application of the principle:) the state gives you, but it also takes. Earlier, it was possible to get the workers interested in the profit of the enterprise; now this possibility has greatly decreased. Namely, in 1954, if the profits were large enough, the workers could get a thirteenth^{monthly}/salary in a year; now, with the new policies, by increasing the rate of interest and by rising the taxes, the profit of the enterprise has been reduced to a minimum, and accordingly, the prospects of higher salaries have also been reduced to a minimum.

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5) Activity of the Enterprise

As I have said at the beginning (of this report), ELEKTROSRBIJA projects, installs (sets up, mounts), and produces electric equipment for electric conduits (electric lines - dalekovodi), distributing installations (razvodna postrojenja - Tr.rem.: These installations could eventually be the "transforming stations" which are mentioned at the beginning of this report), and industrial objects (sic).

Excepting the electric centrals, all the other most important electric constructions were built in Serbia by ELEKTROSRBIJA. Transforming stations (trafo-stanice) ~~transformers~~ of 110 kilowatts were built in SVETOZAREVO, NIŠ, BELGRADE, NOVI-SAD, KRUSEVAC, ^{and} KRALJEVO. Moreover, ELEKTROSRBIJA has built more than 90 transforming stations of about 35 kilowatts. It has also installed 3,500 kilometers of electric conduits (lines - dalekovodi).

ELEKTROSRBIJA has built a great number of electric conduits (lines) in other republics as well, especially in Montenegro. These conduits are for a tension (current) of 35 kilowatts, and 110 kilowatts as well, and they are built of cement, iron, and lumber (Tr.rem.: I presume that the source refers to the pillars ^{or poles} on which the electric wires are hung).

Recently, ELEKTROSRBIJA has also began to install (mount, set up) ~~the~~ big industrial objects as for instance :

(1) It has made the electric installations of the big rolling mill for copper in SEVOJNA; this is a huge mill, which operates automatically; the equipment of

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the factory (Tr.rem.: Probably the machinery) has been delivered by the Western German firm GUTE UND HOFNUNS HUETTE; the electrical part (stuff, material) has been delivered by AEG (Tr.rem.: I think that this is the abbreviation for another German firm whose full name is, as far as I remember, Allgemeine Elektrizitet Gesellschaft), and all the installations were made (mounted, set up) by ELEKTRO-SRBIJA.

(2) Then, ELEKTROSRBIJA has executed the electric installations of Electrolysis ^{Elektroliza} (sic/- Tr.rem. It is written with a capital letter, which could indicate that it is actually a special part of some industrial compound) in the Chemical Factory ZORKA in ^VSabac (a town in Serbia - Hemiska fabrika Zorka).

(3) It has also set up (assembled) the machinery of the drying plant for lignite (^Vsusara lignita) in the basin of the Kolubara river, near ^VVreoc.

(4) It has installed the steel bridge of the large electric central (tero-elektrana - Tr.rem.: I don't know what this tero means; no dictionary contains it) on the Kolubara river, which is also located near Vreoc, (Tr.rem.: This Vreoc is probably the name of some small locality, perhaps a village) which is situated at about 50 kilometers from Belgrade.

(5) ELEKTROSRBIJA has also taken charge of the big earth works on the earth dam of KRUPAC, Montenegro, where it has to built in (move - ugraditi) more than 500,000 cubic (meters) of earth.

(6) Before my departure (from Yugoslavia), ELEKTROSRBIJA and the car (it seems that railroad cars are involved) factory of RANKOVIĆEVO have obtained on an auction the installation (mounting, assembling) of the viscose (factory) of LOZNICA, near

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SABAC (Tr.rem.: Locality in Serbia); this is a big job, on which the workers have to get more than a billion dinars in salaries.

(7) Together with the cars factory GOSA from Smederevska Palanka and the motors factory SEVER from Subotica, ELEKTROSRBIJA takes part in the production of trolley buses and street cars, by manufacturing relays (relej - Tr.rem.: Electromagnetic device operated by a variation in conditions of an electric circuit, and operates in turn other devices as a switch), and contacts (kontaktire - Tr.rem.: Possibly some gadget serving for the junction of two conductors).

(8) The RIPANJ factory produces condensers, electric interrupters for high tension up to 35 kilowatts (sic - električni prekidači za visoki napon do 35 KV - Tr.rem.: A tension of 35 KV seems hardly to be high to me, but that is what the text says, and my knowledge of electricity is quite rudimentary), and the equipment for local electrification. (See page 45.)

(9) Up to April 1954, ELEKTROSRBIJA has taken abroad one single job, at about 40 kilometers from Damascus, Syria. It is the adaptation of a hydro-central, consisting of the construction of a tunnel of 2 kilometers of length, and one small dam of cement; the power of this hydro-central is about 8,000 kilowatts. The first part of the job costs 1,400,000 Syrian lire, but ELEKTROSRBIJA has to get the same amount when it ~~finishes the first part~~ is ready to continue the second part of the job.

Abroad, ELEKTROSRBIJA has taken part on several auctions concerning conduits (electric lines - dalekovodi) and transforming stations (trafostanice), but has not been successful in getting those jobs.

So, it has taken part on three auctions in Turkey, without success, despite the fact that on one of these auctions ELEKTROSRBIJA's offer was considered to be the best; however, the "competition" (Tr.rem.: These quotation marks indicate a certain degree of irony related to the "competition," as if the competing firms were not fair) has succeeded in eliminating (the Yugoslav firm); the Yugoslav Embassy in Ankara has protested on this occasion.

It has also taken part on an auction in Egypt, but its offer, despite the fact that it was the best one from the technical point of view, was rather expensive.

On an auction in Greece, the offer of ELEKTROSRBIJA was ~~not~~ still under consideration, while I departed (from Yugoslavia).

The desire to get jobs abroad is due to the fact that Yugoslavia wishes to get foreign currency, since her foreign trade balance is negative (passive - Tr. rem.: Yugoslavia, under the Communists, imports more than she exports); besides, since the construction of conduits has progressed, there will ~~not~~ ^{no} be need for the employment of so many workers in ELEKTROSRBIJA; finally, the competition from various favored local firms, which are ~~preferred~~ by the local authorities, is gradually increasing.

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The Work of ELEKTROSRBIJA Abroad

The building of the hydro-central SOUK VADI BARADA, near Damascus, Syria, began in the spring 1955, and has to be finished within 18 months (working months - Tr.rem.: These could be perhaps months in which holidays are not counted, so that a "working month" would consist of 30 working days). ELEKTROSRBIJA has to receive about 1,400,000 Syrian lire; 1 American dollar is worth 3,25 Syrian lire approximatively. This amount would be paid for one part of the work, and it was expected (by ELEKTROSRBIJA) that a contract would be concluded for finishing the job, and that the Yugoslav enterprise would get the same amount of money to that effect.

I went myself to Syria in 1953 to take part on the auction, and it was Ing. BRATONO^YŽIĆ who finally signed the contract in the fall of 1954. The National Bank of Yugoslavia has guaranteed the financing (sic).

The Syrian Secretary of the Economic Department, whose name I do not remember any more, favored Yugoslavia; this man had been constantly influenced (cajoled) by the Yugoslav Plenipotentiary to Syria JAVORSKI, and the Yugoslav Legation in Damascus. Later, this Secretary was invited to Yugoslavia by the enterprise TRUDBENIK, which was already working on some canal in Syria; still later, the Director of TRUDBENIK was arrested, because of money malversations. Toma DEVALD (Tr.rem.: This seems to be the name of the Director in question) has had difficulties because of the large expenses involving the reception of the personage in question (Tr.rem.: This seems to be the ^{Syrian} Secretary).

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Generally speaking, it can be said that the Yugoslav Legation in Syria has established good contacts with all the (Syrian political) parties, because the governments do often change over there (Tr.rem.: Various political parties coming in turn to power), and the Yugoslavs did not want to stick with any one side (party). Thus, the Yugoslav slogan was : "We have come to help you, and we don't want to profit like the capitalists do."

With this slogan, Yugoslavia has got a big job (and building the) canal in Syria, which amounts to about 3,500,000 Syrian lire.

ELEKTROSERBIJA is the third (Yugoslav) enterprise (to get a big job in Syria), because the Yugoslav enterprise for the building of ports has got the job to build the port of LATAKI, on the Mediterranean Sea (Tr.rem.: This is probably the town LATAKIA or in French LATTAKIE, in Syria). The infiltration of Yugoslavia on the markets of the Near East has now began, and the Yugoslavs have decided to pursue it at all costs (at any price). Now, the main objective of Yugoslavia is not the greatest profit, but to offer more advantageous bids than the West. On one occasion, Melentije POPOVIC, to whom I had submitted the report concerning the auction of the central (sic - Tr.rem.: It is not specified where the auction was to be held nor what kind of central was involved; presumably in Syria, and the central could have been some transforming station), said that he was not satisfied because the profit was only 8 %, while the capitalists do not engage in constructions in the East unless they are assured of a profit of at least 20 %.

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(Brief Notes concerning the Acquisition of Certain Licences of Electric Devices Bought by ELEKTROSRBIJA from the Italian Firm MAGRINI of Bergamo, Italy)

The factory of electric equipment RIPANJ has bought from the factory MAGRINI of Bergamo, Italy, the licence for the production of high tension interrupters of 15 and 35 kilowatts (prekidaci za visoki napon od 15 i 35 KW. Since I have some brief notes concerning this sale (accord), I will give them below :

Report to the comrade Director (of RIPANJ) concerning (our) orders to the firm MAGRINI of Bergamo :

1) Interrupters (type) MF15 (prekidaci MF15)

Price of the accord : 35,930 dollars or..... 22,221,649 Italian lire

Total paid up to now..... 20,221,649 " "
(money orders)

We have received up to now three sendings (posiljke) of a value of 13,621,281 Italian lire, and we are expecting the report related to the fourth sending.

2) Order for the completion of parts for MF15 4,172,000 Italian lire

We are waiting for the report concerning the delivery.

3) Completion Parts for MF15 1,615,000 " "

MAGRINI informs that this is ready, and that the firm will in the next future open the letter of credit ^{sic} (akreditaci

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The Problems (Tr.rem.: Things to Be Done)

a) We have to send two of our experts to the firm MAGRINI, to the end to be trained, and to take over the technical documentation.

b) The firm MAGRINI has not yet informed us when the parts of interrupters will be ready, and we have not yet opened our letters of credit (sic - Tr.rem.: May be that the source wishes to say that he has not yet began to use his credit).

5) Interrupters MFR15 (Prekidači MFR15)

Total value of the accord : 20,877,64 dollars or.....13,048,524 Italian lire

We have not yet paid the down payment, because we did not have enough foreign bills of exchange (foreign currency).

6) Interrupters MFR35

Total value of the accord: 23,273,36 or 14,545,850 Italian lire

We have paid a down payment of 20 % on April 4, 1954.. 2,885,896 " "

Consequently, the accord will be put into force when MAGRINI receives the advance money (sic - avans - Tr.rem.: It seems that it would have been more logical to say "the rest" of the money), which will happen about the 15th of April 1955.

7) Completion Parts of MF35 6,171,760 Italian lire

Received on 4 April 1955, 20 % 1,198,400 " "

The accord had to be already put into force, because we have writted to the MAGRINI firm to take temporarily the advance money from the received sum of 5,909,355 Italian lire, and MAGRINI has accepted our offer. Thus, we are awaiting

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the note of the firm that the accord is actually put into force.

8) Low Tension Interrupters AB (Niskonaponski prekidači AB)

Total value of the accord : 55,776 dollars or 34,850,000 Ital.lire

We did not give any down payment, since we had no% foreign bills of exchange (foreign currency), and since the question of the production of these interrupters has not yet been regulated. Consequently, the accord has not yet been put into force.

9) Cathodic ductors ^(conductors) (katodni odvodnici) LV

Value of accord: 18,958 dollars, or..... 11,753,340 Ital.lire

Down payment paid on 4 February 1955: 1,184,750 Ital.lire

Second installment paid on 4 March " : 1,165,793

The accord has been put into force on 4 March 1955.

We are not in a hurry to get the material delivered, because we have not yet decided the question of the porcelain ~~material~~.

Belgrade, 8 April 1955

Ing. RIZL Alfred
(Chief of the Import Department)

This note was made for me, on the occasion of my departure from Yugoslavia, and I did actually ^{depart} on ~~the~~ 10 April 1955.

The address of the Italian firm is : MAGRINI Soc.p.Az. Bergamo, via L. Magrini 7, tel. 21-68 and 21-70.

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I have, together with Ing. Slobodan LILIC, discussed earlier (the above listed accords); the firm MAGRINI was represented by Ing. ROSSI and Ing. SAVATINI, who made us the most advantageous offer. Due to the fact that they (these engineers) work according to the American license, we have concluded the accord, since we had complete technical guarantees (sic). (Tr.rem.: The implication seems to be that since the patent was an American one, it was certain that the devices would be good.)

I am enclosing herewith also the copy of the travel report of Ing. RIZL, who went to Italy to discuss with (the firm) ANSALDO the question of co-operation related to the production (manufacture) of trolley buses and street cars.

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Copy of the Travel Report of Ing. Alfred RIZL, and His Visits to the Firms
ANSALDO of Genova (Genoa) and ALFA-ROMEO of Milano (Milan), Italy

Subject: Discussions Concerning the Supply of 30 Sets of Equipment (Oprema)
for Trolley Buses, and 30 Chassis (Frames)

The trip took place from 6 November 1954 to 18 November 1954.

We first visited the firm ALFA-ROMEO in Milano to the end to establish the definite prices of chassis for 40 trolley-buses and 30 buses. Together with Ing. DELOVIC — who is the agent of the firm GOSA of Smederevska Palanka (Tr.rem.; A town in Serbia) — we have at the same time discussed with the firm ALFA-ROMEO about future eventual supplies of chassis for buses.

We have asked ALFA-ROMEO to tell us whether there would be any reductions of prices if we effectuate the payments more favorably than they were ^(stipulated) provided by the contract. According to the contract, the payments had to be effectuated at the moment of the delivery of the merchandise. The more favorable proposals that we submitted were the following :

- a) 25 % (paid immediately) in cash, and the rest at the moment of delivery;
- b) 100 % (immediately) when placing our order; and
- c) 100 % in free exchange bills (sic - u slobodnim devizama).

These proposals concerned mainly the order of buses. However, we wanted to get those price reductions of ALFA-ROMEO intending to use them on the occasion of our discussions with the firm ANSALDO (Tr.rem.: The Yugoslav engineers wanted to show to the firm ANSALDO that they had obtained price reductions from ALFA-ROMEO,

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probably in order to obtain the same reductions from the ANSALDO).

Actually, ALFA-ROMEO did agree to our proposal exposed under a), namely to reduce the prices by 1% plus 2%, consequently (a total of) 3% (sic), and gave us this (agreement of price reductions) in writing.

Concerning the trolley buses, ANSALDO informed us that it desired to discuss the matter in Genova, since the main director of this firm resides there. Consequently, we went to Genova immediately, that is on Thursday afternoon.

In our pourparlers with the firm ANSALDO, we have first of all composed a new contract related to our collaboration with the firm in question; this collaboration contract has to substitute the present contract which is known under the name of PRO MEMORIA; the main changes of the collaboration contract are the following :

a) ANSALDO takes the obligation not to sell in Yugoslavia any trolley bus without the (preable) approval of the Yugoslav group of firms GOSA, SEVER, and ELEKTROSRBIJA. All the discussions related to the sale of trolley buses shall be made exclusively through the group of firms in question. ANSALDO can discuss with (Yugoslav) clients (customers) only to the end to facilitate our own job (Tr.rem.: In other words, the three above mentioned Yugoslav firms have practically a monopoly on the ANSALDO trolley buses).

b) The contract extends until 31 December 1956.

c) The contract has to be ratified by the Workers' Councils of the respective Yugoslav enterprises, until 15 December 1954.

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From the (text) of the enclosed contract (which I do not have - Tr.rem.: This is actually a remark of the source), you will see that we have established the prices of the various parts and devices, the sliding clause (sic - klizna klausula - Tr.rem.: Perhaps some stipulation concerning the smooth or gradual application of the conditions of the contract), etc.

I believe that the contract is advantageous for us, and I beg (ask) you to approve it, to submit it to the Workers' Council, and to sign the original text. We will submit the signed text to (the firms) SEVER and GOSA, and ask them to undersign it. We have to give back to ANSALDO the signed contract until December 15, 1954. (On the other hand,) the firm ANSALDO will send us the second copy of the contract -- with the signature of FINMEHANIKA from Rome (sic - Tr.rem.: FINMEHANIKA does not sound like an Italian firm; perhaps this name would be spelled as FINMECCANICA, an^d inversion of meccanica fina) until the same date (15 December 1954).

On the occasion of our pourparlers with the firm ANSALDO, we have learned that this firm is negotiating with the towns of RIJEKA, SPLIT, DUBROVNIK, NIŠ^V, LJUBLJANA, and SARAJEVO for delivery of trolley buses. The negotiations with RIJEKA are considerably advanced, and ANSALDO hopes that it will deliver the complete equipment (trolley buses) to that town, because our firm (ELEKTROSRBIJA) will not be able to manufacture the equipment in such a short time.

On the occasion of my visit to ANSALDO, I have looked all over the plant. ANSALDO manufactures mainly only the large transformers and the big machines, in SAN GIORGIO. I wanted also to look at the manufacture of relays (relej) and

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resistors (otpornik - Tr.rem.: A device possessing the property of electrical resistance used in an electric circuit for protection, operation, or control), but I was told that I could not see that during my present visit, since they are not being produced (right at that time). I was told that ANSALDO manufactures that kind of devices only in large series (in mass), in quantities much greater than they are ordered; thus, a great part of those devices (relays and resistors) is stored as a reserve in the magazine; only when this reserve is sold, ANSALDO manufactures new devices again. Consequently, this means that for a longer period of time, we will not be able to see how those devices are manufactured.

I have asked Dr. POLA about this matter — he is ANSALDO's agent who spends most of the time in Yugoslavia, — and also the chief of the pulling (drawing - vuča) department of ANSALDO — and he told me that relays and resistors will be manufactured in December. Thus, if we can pay the down payments for the ordered trolley buses (by that time), we will be in a position to see how those devices are manufactured.

If we wish to fulfil our obligations toward the Communications (Traffic) Enterprise of the Town (Gradsko saobraćajno preduzeće - Tr.rem.: It is not specified which town of Yugoslavia), and in order to avoid buying in the future those devices from ANSALDO, it is necessary :

- 1) to assist at the beginning of December to the manufacture of the devices in ANSALDO's factory in SAN GIORGIO, and
- 2) to establish, on that occasion, whether we have to buy some special

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machines and tools for the production of the devices in question (relays and resistors. (Tr.rem.: Here, the source has opened a parenthesis and indicated: Economic Spying - my annex - wishing probably to say that he has treated this subject in a special annex.)

Order of 30 Uncomplete Sets for Trolley Buses for the Communications Enterprise of Belgrade City (Gradsko saobraćajno preduzeće u Beogradu)

We have informed Dr. POLA that, on the occasion of our pourparlers with the Communications Enterprise of Belgrade City, we were unfortunately compelled to grant to the enterprise in question a reduction of 4 million dinars -- which corresponds to 4,000 dollars -- on each trolley bus; thus, we are now in trouble with the price (of the trolley buses). We have asked (begged) Dr. POLA to grant us a reduction, first of all, on the price of the wrappings (of the ~~building material~~ stuff - material) which are (now) 3 % of the total price. Furthermore, we have informed Dr. POLA that we could change the payment conditions, in order to get some reduction of prices, as follows :

- a) pay 25 % in cash, and the rest in credits (akreditivi);
- b) pay 100 % when placing the order; and
- c) pay 100 % in free bills of exchange (slobodne devize).

Dr. POLA has replied that he alone could not decide about our proposals, and he has added that he has had considerable difficulties with the ^{Roman} FINMEHANIKA combine, which is a/compound of firms and to which ~~the~~ ANSALDO belongs. He

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said that the prices(of trolley buses) were already lower of the prices which (ANSALDO) uses to grant for export, and that he is ready to show us the prices at which the trolley buses were right at that time sold to Mexico.

To our proposal for ^achange of payment conditions, ANSALDO replied on 13 November 1954 the following :

a) ANSALDO agrees to get 25 % in cash when the order is placed, and the rest in credits which we should open at the moment of the delivery; however, ANSALDO will not change the price (Tr.rem.: Give reductions). If we pay the 25 % in cash, ANSALDO will give us the written obligation that it will give us back that cash if, by its own fault, it is unable to deliver us (the trolley buses) on time.

b) If we pay 100 % (in cash) when we place the order, ANSALDO is willing to pay us 8 % of interest on that sum, until the moment of ^{the} delivery (of the merchandise).

c) If we pay 100 % in free exchange bills, ANSALDO will give us an additional 2 % as bonus (disagio - sic - Tr.rem.: That is the agio charged for exchange of depreciated or foreign currency).

In connection with the above exposed reply of ANSALDO, Ing. DELOVIC of (the enterprise) GOSA and Comrade GAGIC of the People's Committee of Belgrade City (Gradski narodni odbor Beograda) went to Zurich and Baden (Switzerland) to see the firm MINERAG and establish definitely what sort of

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payments are the best for us.

Order of 10 Complete Sets for Trolley Buses for the Communications Enterprise of Belgrade City (G.S.P. Gradsko saobraćajno preduzeće)

According to the contract concluded between the Secretariat for Communal Affairs of Belgrade (Sekretariat za komunalne poslove Beograda) and ANSALDO, this firm has received on 29 November 1954 an order of the Secretariat for the delivery of 10 complete sets of equipment (10 kompletnih garnitura opreme) for trolleybuses worth :

(safety)	116, 390 dollars
to this order, security/brakes worth :	<u>3, 040 "</u>
should be added	
t o t a l	119, 430 "

This price is franco (delivered free) to the Italo-Yugoslav border.

Before my departure to Italy, I have prepared the order for 10 un-complete sets for trolley buses amounting to 103,835 dollars.

To this amount, we should add the price of devices which we do manufacture in our own factory, namely :

relays — at 600 dollars apiece.....	6, 000 dollars
protecting boxes (zastitne kutije) at 145 each.....	1, 450 "
resistors at 845 dollars apiece.....	8, 450 "
plus 3 % for wrapping.....	<u>3, 592, 05</u>
t o t a l	123 327, 05 (sic)

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According to the price index Nr. 2, 5 % of reduction ^{all} is provided for each kind of equipment, consequently the price will be the following :

10 uncomplete sets 103,815 dollars

manufacture of ELEKTROSRBIJA

-- 15,900 - 5 % -- 15,105 "

wrapping for the imported part

-- 3 % -- 3,114.45 "

t o t a l 122,034,45 "

The above exposed accounts (bills) show that ANSALDO has actually granted a very low price for the complete sets. Since we have also obtained some reductions ^{from} ~~with~~ ALFA-ROMEO -- as well as ^{from} ~~with~~ ANSALDO -- our own prices will be in fact very near those given by ANSALDO to the Communications Enterprise of Belgrade City, respectively to the Council for Communal Affairs of Belgrade (Savet za komunalne poslove Beograda), which is the financing organ, while the Communications Enterprise has to get the vehicles.

On the occasion of my negotiations with ANSALDO, I had demended that ^{also} ELEKTROSRBIJA manufactures/the relays and the reactors of the 10 sets (Tr.rem.: Probably the 10 complete sets mentioned on the top of page 88). However, this is ~~what~~ the reply that I have received :

ANSALDO : It will apply the contract that it has with the Secretariat for Communal Affairs, and does not agree to make changes.

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(declared)

(The firms) GOSA and SEVER : we should not ask for changes when a contract has already been concluded.

With its letter of 13 November 1954, ANSALDO informed us :

" We confirm you that we will deliver you 10 sets under the same conditions and the same contract, with the following changes (sic) :

Delivery : the delivery of these 10 sets will follow the delivery of the 30 uncomplete sets.
(Our confirmation of order N.AOTI/15858.)

(of the 10 sets)
Reserve related to the putting into force of the contract:
We agree that the reserve expressed under article 8) paragraph a) of the contract concluded with the Secretariat of Communal Affairs has to be understood in such way that the term of the delivery will begin to be counted from the very moment when the term of the delivery of the 30 uncomplete sets begins to be counted. "

This is actually a change in the contract concluded between ANSALDO and the Secretariat of Communal Affairs. Article 8) of this contract reads :

" This contract will not be put into force if the seller (vendor) does not prealably make the changes which were asked (recorded) in the protocol; that is, the commission of the user (beneficiary, vendee, buyer), in the presence of the seller's (vendor's) agent, will examine all the parts of the vehicles which have been sent for tests to Belgrade. Only after the fulfilment of this condition and the changes of some parts on the vehicles in Belgrade, this contract can be put into force."

Due to the fact that we have no such dispositions in our contract concluded with the Communications Enterprise of Belgrade City concerning the delivery of the 10 sets in question, ~~this~~, this means that if we do order 10 sets, we change in fact the contract concluded between the Secret-

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(sic)
ariat of Communal Affairs and ANSALDO./ If we do not deliver the 10 sets,
we will have to pay the penalties (sic).

I am of the opinion that we have to ask immediately the Chamber of Industry (Industrijska komora) in order to obtain the application of the collaboration coefficient (koeficijent za kolaboraciju), which is 1,5 (sic), by invoking the collaboration with ANSALDO, despite the fact that as far as those 10 sets are concerned, we do not produce (manufacture) anything. This coefficient is the import coefficient (sic) which is far lesser in case of cooperation than it is in case of import of ready equipment.

19 November 1954

Ing. RIZL

(Note of the Source)

By copying this travel report of Ing. RIZL, I wanted to expose the situation of the relations which exist between the enterprises in Yugoslavia and Italy.

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7) Various Information

a) Relations of the Enterprise with
the Authorities and the Superior
Economic Organs

ELEKTROSRBIJA is a republican (local) enterprise, but it has federal significance (sic). This means that it is owned by the Republic of Serbia, but its activities and importance extend all over Yugoslavia.

Now, after the creation of communes, ELEKTROSRBIJA belongs to the still Commune of Belgrade, but it/gets the instructions concerning the fundamental economic policies and similar primary matters from the Republic of Serbia.

ELEKTROSRBIJA is independent in concluding its contracts with the investors-financiers, who in turn get their money either from the federal Government if a federal project is in question, or from the republic if a republican (local) one is involved, or from the town if it is a town object. ^{Finally,} Then, the contract will be valid (put into force) only when it is approved by the National Bank, which has actually to finance it.

On the base of such a contract, ELEKTROSRBIJA can get the credits from the National Bank, in order to buy material or equipment; the credits can be given either in dinars or in foreign exchange bills (foreign currency). That is the initial procedure.

The job itself has to be obtained on auctions, according to the rules

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(regulations) concerning auctions.

The enterprise (ELEKTROSRBIJA) must notify to the authorities what sort of job it will be doing; at the end of the year it must submit to the inspection of the Commune the balance of its profits and losses.

The profits of the enterprise are divided as follows: 50 % go to the federal budget, 30 % to the republican, and the rest (20%) has to be divided between the Commune and the enterprise, according to a key (relation) ~~which~~ ~~between the enterprise and the Republic~~ which has to be approved by the Republic. Usually, the enterprise is left with about 5 % of its profits; from those profits, the enterprise can give salary increases to its workers, in which case this increase is subjected to income taxes deductions, to the end to give less to the workers; however, if the enterprise invests its profits as in machinery, tools, maintenance or renewal of its vehicles, no income tax is subtracted.

The enterprise is compelled to stick to the contract, while the federal Government or the republican government can change it if they consider it to be in their interest.

The enterprise has the right to ask for loans from the National Bank if it wishes to buy new vehicles or mechanic gadgets (machinery), if the enterprise has money in the Bank (sic - Tr.rem.: That is exactly the meaning of the original text, no matter how strange it might seem to ask "loans" on one's own money). It can ask that (those "loans") either from the Federal or from the Republican National Banks.

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Furthermore, the authorities have the right to make observations (criticize, object) about the work of the enterprise, and they can ask ~~for~~ that the general director, the workers' council, or the executive board of the enterprise be changed, if they consider that those organs are not suited either for the enterprise or the authorities themselves

Gradualism is recommended in interventions to the authorities (Tr. rem.: When the enterprise has to ask something from the authorities, it should proceed gradually, that is address its request first to the lower authorities or the first instance; as for example to the local or republican authorities instead of the federal ones). However, (this procedure) is not obligatory; thus, the enterprise can ask for credits or other matters directly from the federal Government; but, lately, this state of anarchy is being brought to an end, because (the federal authorities) do now turn over either to the town or the republican authorities all such (direct) requests, and ask them for their opinion or investigation.

All foreign jobs (activities which have to take place abroad) have to be decided exclusively by the federal Government. No enterprise can undertake any investment or similar jobs abroad without the authorization of the Secretariat for Economy (Sekretarijat za privredu) of the federal Government. The matter is different in trade (commercial) affairs, when products can be freely sold abroad; however, in this case, it is the National Bank which supervises (those sales), ^{in order to prevent} to avoid malversations with

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foreign currency (foreign bills of exchange), which are very frequent.

The enterprise which intends to undertake some job abroad has first to show (to the Secretariat for Economy) the calculations that it intends to submit to the foreign auction; only after the authorization (of the Secretariat in question), the enterprise can take part (on auctions) abroad. This is done in order to avoid imprudent risks of the enterprise, for which the state (Yugoslavia) would have to pay.



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b) Autonomous (Independent) Direction
(Management) by the Workers in the
Enterprises (The Self Management of the Workers)

The top organ of the enterprise is the workers' council, then comes the executive board (Upravni odbor). As a matter of rule, these organs have to be elected (~~selected~~) mostly among the workers.

The self management of the workers has come very handily to the Communists of Yugoslavia, at a moment when they had nothing else to offer to the people. Giving to the workers the opportunity to manage the enterprises was a political success, because, in fact, it is no trifle to offer them the possibility to discuss everything with engineers, technicians, and directors; since the workers are considered to be the more conscious element of the state, ~~therefore their word~~ their word has even more weight than the voice of the mentioned qualified organs; thus, the workers discuss now about matters that they did not know up to the present time.

Many workers have accepted their new positions very gladly and are greatly enthusiastic about the idea of self management; this is especially true of those who are less able and do not like much to work; such workers try to cover such defects by politicizing and philosophizing.

On the other hand, there were many honest workers who have accepted their positions with the sincere intention to be of help; however, they have soon become aware that ~~they were not suited for~~ those jobs, since they

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had no technical qualifications for that purpose; besides, they did not want to get involved with the Communist Party, because the Communists had the intention of using the workers organizations in question in order to get new members. Namely, all the workers who are successful in self management have to join the Party; many of the workers did not know this particularity at the beginning, and this has later caused troubles.

For the technical intelligentsia, the workers' management is only a burden. The intellectuals are not opposed to grant to the worker all the rights that he must enjoy as a man, but their mixing in the management does in fact only hamper things, causes unnecessary expenses, and loss of time. If some worker has (good) ideas and wishes to apply them in the interest of the enterprise, he has always the possibility to do so. Now, however, the managerial organs (the workers) are on top, and not a single decision of some importance can be brought without their approval; but, when it comes to responsibility, it is not the workers' council or the executive board that are responsible : the responsibility falls on the director of the enterprise and his experts.

The state of affairs at the present time is such that instead of one or a few directors there is a host (throng) of directors -- all members of the workers' council and the executive board -- who have the right to criticize and decide, but no responsibility. They often declare that the engineers and the technicians as well as the other intellectuals are un-

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necessary, because they are expensive, and it happens that the workers do all the work themselves; then, it becomes apparent that this sort of things cannot last long, and that an end has to be put to it.

The state authorities are aware of this fact, but they are very slow to regulate this situation, because they do not want to lose their popularity. The authorities consider that it is better to lose something in the economic than in the political field.

Lately, it can be more often and often heard even from workers that they cannot go ahead without the engineers, and that there is something wrong with the management of the workers; thus, gradually, the technical intelligentsia is getting back its rights to lead where it is fit to do so.

Naturally, the committees and the syndicates are more eager to help the workers' councils than the directors of enterprises. Up to now, there has been no case that a director has been able to change the workers' council, but there were many directors fired on demands of the workers' councils, ~~when~~ when they did not act according to the council's wishes. Later, (the authorities) become aware (that they have made an error); but God, an error can always be made (the authorities and the workers are always excused).

This kind of relations (situation) embitters people much more than it is possible to express on paper.

In my conversations with many directors, managers, and engineers, I have not found a single one who is in favor of the workers' self management.

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However, against the power (authorities), there is no use fighting. A popular adage says : "Every power is temporary," and this sort of things will also come to an end, after a certain time, and all will be well again. However, for the time being, people are bitter, not to speak about the huge material and other sort of losses which are taking place now.



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c) The Party Organization and the Syn-
dicate within the Enterprise

The Party organization still remains the fundament of the enterprise. True, it works in the open now, but the man who opposes it exposes himself to serious trouble; he cannot continue to work either in or out of the enterprise.

The decisions of the Party organization are (obligatory) directives for the work of the other organs of the enterprise. The Party organization is supposed to help the work of the workers' council and the executive board; in fact nobody dares oppose its decisions. For instance, the Party organization outlines the role and the duties of the members of the workers' council; is that not an order (when nobody dares oppose it) ?

If somebody cunning enough decides to oppose the committee (sic) and the Party organization, he might have his way for a certain time in the mass of problems which have to be solved in an enterprise; however, sooner or later, such a man must fail. (In Yugoslav enterprises) the best thing to do is to work as one is told.

If we analyze the question (of the Party organization and the syndicate) within an enterprise, we see that (beside the regular executive organs), and enterprise has another group of executives, as : the secretary of the Party organization, his assistants, and the other more significant Party members.

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It is by no means advisable to bring ^{some} ~~unanimous~~ decision, without prealably asking the comradely advice (of such Party members) (Tr.rem.: These are the only words underlined by the source in the original text). The same thing goes also for the syndicate, some of whose members also ^{want} ~~ask~~ to decide about everything!

And then, there is in fact something else which is above the workers' council: that is the "collective." Now, think how this (situation) looks (:)
the "collective" has decided (to act) in such ^{and such} /a way ~~and in a different manner~~. That is possible in Yugoslavia (Tr.rem.: The implication is that the decisions of the "collective" can be altogether arbitrary). (For instance), in order to bring a certain decision, the syndical organization has to convene, because it is the syndical organization which represents the "collective." The "collective" has to decide whether something or other has been properly regulated; this brings discussions and quarrels, and all ends with the declaration of the comrade secretary of the committee, or the president of the syndicate, or the president of the ~~syndicate~~ (workers') council that his opinion is such and such; then, the mass (all the rest) accepts this opinion, and that is the rule; this opinion ~~however~~ is now considered to be the decision of the "collective." If somebody could make a motion picture of this, there would be general laughing, but over there (in Yugoslavia) that is the very reality of life, and the man who would try to break this illusion would be in serious trouble indeed.

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d) The Competition among Enterprises,
and the Fight for the Markets

Despite the fact that all the enterprises belong to the state, the salaries depend from the profit (Tr.rem.: That is low profits, low salaries, and vice-versa). (The opinion of the authorities is that) that is the way of free competition, and that is actually the way things are going on (in Yugoslavia).

Wishing to get ~~independent~~ the greatest possible profits, since big salaries depend on them, the enterprises try very hard to rise the prices of their products, and to outsmart each other by swindling. (Consequently,) the enterprises leave (premeditated) loopholes in their contracts (with the intent of evading their obligations), which later causes interminable legal processes (law suits).

The products sold on the markets are not only of a low quality, but they are badly made and packed, to the end to get more profit. Reclamations (protests) are of no use, because no enterprise wishes to produce an unexpensive article, since the salaries would be low in such case.

This state of affairs is called free initiative, and free competition.

According to the regulations, auctions are held; but, if you are in friendly relations with certain people, the job is yours, no matter how loud the competing enterprises might yell. ^(other) There are many possibilities for using ^(protest) friendly relations, if you are adroit (cunning). It is said that there is

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no corruption (in Yugoslavia), but isn't this use of friends a proof of corruption ?

For instance, if eggs are less expensive in a certain region, the news is immediately spread, and several enterprises hurry there to buy them. As for the peasants, they are very glad to rise their prices, and the result is a sudden price increase. To make the things even more tragic, the competing enterprises convene to divide the eggs among them, and, naturally, the prices /that people does not get (cheap)/ reach their highest level. The preoccupation/~~amongst~~ eggs is equal to the pre-occupation to keep their prices high; otherwise, the "collective" in behalf of which the enterprises buy would not have any profit. As for the population, it can always curse that kind of free trade (~~economics~~).

If, for instance, some enterprise wishes to develop in a certain field where another enterprise is already at work, all kinds of possible swindles (frauds, deceptions, cheats) take place, to the end to hamper the work of the new enterprise. (Controversies and arguments develop;) ^(the old enterprise) some/pretend that competition is not necessary, because it scatters the workers, the machinery, and the raw material, while ~~the~~ others (the other side, the new enterprise) argues that competition is necessary in order to lower the prices. If the new factory (enterprise) nevertheless succeeds in establishing itself, then both factories come to a compromise (Tr. rem.: Probably by fixing the prices of their products), and all continues to function as ~~usually~~ it used to work. Such have been my personal experiences.

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If one goes abroad to the end to learn something from the ways of production in foreign countries, he is attacked for making tourism, and for travelling because of his health. On the other hand, if the things (in the Yugoslav enterprise) do not go well, one is criticized for not going abroad and seeing what and how foreign enterprises work. Briefly, one hears the same thing all over again : criticism, proposals, and criticism again.

In such an organization of work and life nothing good can be created. Thus, it is no wonder that people are more and more leaving Yugoslavia.

The harder a man tries to do and to create something, the more he is suspected for concocting (intriguing) something. If a man succeeds in earning something for himself, he is exposed to envy, and it is said of him : "See how fat he has become!" Envy and malice are the spirit in which people in Yugoslavia live and are educated. There is no healthy creative spirit, no free competition, and no endeavor to reward the better man according to his deeds, as it should be according to the Socialist slogan.

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The Organization of the Party and the
U. D. B. within the Enterprises
(Momčilo MANČIĆ and Mladen ANDJELIĆ)

(larger)

Every/enterprise has its Party committee, which in turn has its fundamental Party organizations in the various departments. If the enterprise if it has is a smaller one, that is/less than a hundred Party members, then the enterprise has only its fundamental Party organization, which in turn might have various departments. (Tr.rem.: It appears that to be "fundamental" that is "osnovna," a Party organization has to consist of approximately hundred members.)

The Party committee is elected by the members of the Party organization; however, the Party committee of the region in which the enterprise is located appoints prealably the executive-secretary (rukovodilac-sekretar) of the enterprise's committee or fundamental organization (SIC). The regional committee proceeds in this matter of appointment as follows : it calls a meeting of the oldest Party members to take their advise, and on this meeting the new secretary is appointed.

The main duty of the secretary is to co-operate with the regional Party committee, and to apply the directions of this committee.

The regional chief of the UDB, who must be a member of the regional Party committee, is also elected by the members of the regional committee. (sic)

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It is this UDB chief who, together with the secretary of the regional committee, give the orders to the secretary of the enterprise. In this manner, a perfect collaboration is achieved (Tr.rem.: It seems that the source has the intention to say that the Party line is most strictly applied in this fashion).

However, (beside the above mentioned regional UDB chief), the UDB has its special men (agents) within the enterprise, men who are entrusted with special confidence (who do special confidential work). These men are usually Party members; however, there are cases when they are not Party members, but are compelled to co-operate with the UDB, or (have willingly decided to) co-operate, because they get a certain profit out of it.

Usually, the secretaries of enterprises are hired by the UDB. However, lately, since ~~the secretaries of enterprises~~ lawyers are appointed as secretaries of enterprises, and since the lawyers are not often Party members and are not suitable for UDB jobs, the UDB spots in the Personnel Section of the Secretariat (of the enterprise) its confidential men (agents); these men are selected among those who have the possibility to reach the personal files of every worker or functionary; their duty is to inform the UDB about any changes or events taking place within the enterprise.

If the UDB has not hired the general director of the enterprise, it controls the attitude of the executives of the enterprise through its above mentioned confidential men (agents).

Since the creation of the workers' councils, the UDB has also its

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man among the council's members.

So, for instance, Momčilo MANČIĆ is the UDB spy in the Executive Council of ELEKTROSRBIJA.

Mladen ANDJELIĆ is the UDB spy in the Personnel Section of the Secretariat of ELEKTROSRBIJA.

In this manner, the tentacles of the UDB are infiltrated everywhere, and the UDB reacts very swiftly to any event. (In this connection,) I remember (for instance) a conversation I had with Vera MANDIĆ before my departure from Yugoslavia. She told me that she had heard that, on one of the closed meetings of the Executive Board, I had hinted to resign; she commented that it was not good for me. On my insistent pressing to tell me from whom she has heard (about my intended resignation), she replied that she happened to visit the Belgrade UDB, and that she had seen there MANČIĆ, who was just getting out of the Chief's office (Tr.rem.; This Vera, probable abbreviation for Olivera, is mentioned on page 68 of this translation, as working herself for the UDB). Both were astonished to see there each other, however both pretended that they had not remarked anything, and acted as if they did not know each other. Later, while talking with the ~~president of the~~ Chief (Tr.rem.: It is not specified which one, but it could be presumed that it was the Chief of the UDB), she had learned about the discussions of the Executive Board (concerning my resignation). That is how I have learned who reports the news of the meetings of ELEKTROSRBIJA.

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MANČIĆ is not a Party member. However, later, I learned in the ENERGOPROJEKT enterprise, where MANČIĆ had formerly worked, that he was very much disliked over there, and that everybody feared him. On that same occasion (Tr.rem.: That is in ELEKTROPROJEKT), I also learned that he was pathologically (excessively) ambitious. His situation was the same in ELEKTRO-SRBIJA. In less than a year, he has succeeded in rising from the ranks of small employees to the position of Chief of Financial Operations. Naturally, he was helped by the Cadres Chief (the Chief of the Personnel) Mladen ANDJELIĆ, who is also hired by the UDB.

These are the methods to rise to (important) positions in an enterprise, and the man who stands in the way (of such maneuvers) will find himself in serious trouble.

The word of these men is obeyed, because one knows who is behind (these fellows). It is rare that somebody can illegally make a career in an enterprise (Tr.rem.: It seems that to make a "legal" career, a man has to be "legally" endorsed by the Party and the UDB).

True, there are no proofs (about who belongs to the UDB), except indications as I have given in the above reported case; however, people know who are their true friends, and who only speaks about friendship.

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Translator's Remark

The language of the original text is rather bad, which is partly due to the loose Communist terminology, and partly to the lack of experience and disregard of the source for writing.

For instance, it is very loose to use the word sektor instead of sekcija; in geometry, sektor means an arc of a circle, ellipse, or other central curve; it might mean a mathematical and an astronomical instrument; in military sciences, it is a subdivision of a defensive system; the Communists use the word to designate the departments of an enterprise, and moreover use the same word for further subdivisions of the sector itself, which creates confusion.

Then, the word problematika is used instead of problem; problematika means : 1) suspiciousness, 2) puzzledness, 3) ambiguity, and 4) doubtfulness, but never means problem.

The two above mentioned words do at least exist in dictionaries, but without any reason, the Communists have invented new, unnecessary words which vaguely resemble the right word, as for instance : oforniti instead of formirati, meaning to form or create; komercija instead of komers or trgovina, meaning trade; rukovodjoe instead of rukovodilac, meaning manager, etc., etc. These words cannot be found in any dictionary, and show a basic lack of knowledge of the language. The Communists are mainly concerned with creating new words; everything has to be new in Yugoslavia, even the words.

As for the source, who is probably an engineer and a businessman accustomed to manipulate figures, he shows a great deal of disregard for grammar rules by using fragmentary sentences and ignoring punctuation, putting together two separate and distinct words, making inversions of letters, etc. Yugoslav engineers and businessmen do often disregard writing, which they consider almost as contemptuous as poetry. The source has not even taken the pain to read what he has written. There is an unbelievably mistaken addition on page 88.

A little more exactitude could have been expected from a man used to calculations. While giving the global figure of the personnel of ELEKTROSRBIJA, there is not even an approximative evaluation how many engineers, technicians, office employees, and workers — skilled and laborers — there could be in such an enterprise.

On page 16, the source defines the Skupština (Federal People's Parliament) as the highest organ of the state which influences all the social and economic institutions. Actually, the Skupština is only the highest legislative organ, and that only on paper. On page 100, the source points out that "the Party organizations still remains the fundament of the enterprise..." and that its decisions are obligatory directives for the work of the enterprise.

The diagram of the Constructions Sector, drawn on page 8 of the original text, shows that this sector is further subdivided in various sectors, as for instance the Conduits Sector, which is further subdivided in two sections: the Section

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for 35 kw. and the Section for 110 kw.; on the diagram in question this latter Section stems from the preceeding one, and I believe that this is an error; I think that both these Sections should stem from their common Sector. There are other similar errors in the diagram which should be checked by an engineer.

However, the whole report contains many valuable information. The part concerning the functioning of the workers' council is very well developed, and it confirms an earlier report — given by a Yugoslav of Hungarian origin — on the same subject. On that matter, Mr. Sulzberger recently published his book (THE BIG THAW) asserting that the Yugoslav "workers' councils bear primitive resemblance to stockholders' committees in capitalistic enterprises owned by employees..." The veteran reporter of the NEW YORK TIMES explains furthermore that "Yugoslav enterprises are operated by workers' councils which fix their own profits and production goals independent of state ministries which merely oversee these operations in terms of the country's entire economic welfare..." It is stupefying that such an old hand as Mr. Sulzberger has so little understood the whole matter. We see in this report that 50 % of the profits go to the federal budget, 30 % to the republican (local, state) budget, approximately 15 % to the Commune, and about 5 % remain to the enterprise. The same figures were given by the previous report that I have translated. Moreover, while the enterprises are compelled to stick to the contracts, the federal or the republican authorities can change them if they consider it to be their interest. Finally, the authorities have the right to change (fire) the general director, the workers' council, and the executive board of the enterprise if they consider that they are not suitable for the job.

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